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Bank of England
Gearing up for the millennium
Page 15

Showcase tour
Li Peng on the Silk route
Page 5

Life in Cuba
Castro's dollar dilemma
Page 14

IN TOMORROW'S
Weekend FT
Drugs: torn apart by trafficking

FINANCIAL TIMES

Europe's Business Newspaper — FRIDAY APRIL 29 1994 — D8523A

'Mystery' buyers pay $70m for 5% stake in Swissair

A British bank has accumulated a 5 per cent stake in Swissair, Switzerland's flag carrier, worth nearly SFr100m ($70m), on behalf of what Swissair calls "mystery investors".

The accumulation of the block of shares comes at a time when Swissair is warning that its longer term future is in jeopardy because of Switzerland's isolation from the European Union and when the group's top management is coming under increasing local criticism. Page 17

Enterprise Oil launched a £1.45bn ($2.3bn) hostile bid for rival explorer Lasmo which, if successful, would bring together the UK's two largest independent oil and gas explorers in a single group valued at more than £3bn. Page 17; Details, Page 23; Lex, Page 16

Hata chooses conservatives: Tsutomu Hata, Japan's new prime minister, produced a conservative-dominated minority cabinet, unlikely to last the summer in the absence of his former socialist allies. Page 16; Details, Page 4

General Motors, the world's largest vehicle maker, which is recovering from three years of heavy losses between 1990 and 1992, more than trebled its net profit in the first quarter to $1.6bn (excluding one-off charges). Page 17

BASF: First quarter pre-tax profits at one of Germany's big three chemicals groups rose 46.6 per cent to DM349m ($205m), bolstering hopes that the European chemical industry is pulling out of a cyclical recession. Page 17

US growth rate slows: The US economy grew at an annual rate of 2.6 per cent in the first quarter – an unexpectedly sharp deceleration after growth at an annual rate of 7 per cent in the final period of last year. Page 16; Lex, Page 16

Life term for Moscow's American spy

Former CIA officer Aldrich Ames (arriving at court) and his wife Rosario pleaded guilty to spying for Moscow in one of the most damaging espionage cases in US history. Under a plea-bargaining deal, Ames, 52, who promised to co-operate with investigators, was given a life sentence without chance of parole in return for lenient treatment for his wife. She is likely to serve up to six years. Page 6

Lloyd's tries to allay fears: Lloyd's of London moved to calm fears that the insurance market might not have enough capital to set up NewCo, a new reinsurance company into which most of its US asbestosis and pollution liabilities would be transferred. Page 9

Delta Air Lines, third biggest player in the beleaguered US airline industry, unveiled plans to cut between 12,000 and 15,000 jobs from its workforce of 73,000 in the next three years in a bid to restore profitability. Page 17; United Airlines results, Page 19

Panama plans bond exchange: Panama, which went into long-standing default on its foreign bond issues during the 1980s, is set to complete a bond exchange next month aimed at resolving the default. Page 19

Attack on Yemen deputy PM: Prospects of a solution to Yemen's political crisis appeared to have diminished sharply with an assassination attempt on Hassan Makki, a deputy prime minister, and continued armed clashes between northern and southern military units. Page 5

Glaxo, UK drugs group, moved closer to a courtroom clash with rival Swiss company Ciba by filing lawsuits against a Ciba subsidiary in the US alleging patent infringement. Page 8

US row with EU looms: The US and the European Union could clash over the reluctance of Congress to lift restrictions on the opening of new branches by foreign banks. Page 3

SKF, world's leading maker of roller bearings, said recovery in key European markets had helped it to a SKr661m ($83.7m) swing into the black in the first quarter. Page 18

[illegible]ing again: London's Windmill Theatre, [illegible]ered for its wartime boast "We Never C[illegible]d", [illegible] to reopen this summer as a venue for [illegible] country and western music after a £500,000 ($750,[illegible]) redevelopment. Page 9

STOCK MARKET INDICES		
FT-SE [illegible]	3,129.9	(-20.1)
Yield	3.87	
FT-SE Euro[illegible]	1,466.96	(-2.07)
FT-SE-A All-Share	1,583.51	(-0.4%)
Nikkei	19,725.25	(-3.90)
New York: lunchtime		
Dow Jones Ind Ave	3,681.69	(-17.85)
S&P Composite	449.91	(-1.96)
US LUNCHTIME RATES		
Federal Funds:	3 11/16%	
3-mo Treas Bills: Yld	3.963%	
Long Bond	88 1/16	
Yield	7.218%	
LONDON MONEY		
3-mo Interbank	5 1/4%	(same)
Liffe long gilt future:	Jun 106 1/16	(Jun 106 5/32)
NORTH SEA OIL (Argus)		
Brent 15-day (Jun)	$15.40	(15.38)
Gold		
New York Comex (Jun)	$376.7	(375.3)
London	$375.20	(374.40)

STERLING		
New York lunchtime:		
$	1.5075	
London:		
$	1.5073	(1.5066)
DM	2.5167	(2.52)
FFr	8.6381	(8.6544)
SFr	2.1444	(2.1489)
Y	153.571	(154.647)
£ Index	80.4	(80.5)
DOLLAR		
New York lunchtime:		
DM	1.667	
FFr	5.7155	
SFr	1.4175	
Y	101.665	
London:		
DM	1.6697	(1.6727)
FFr	5.7255	(5.7445)
SFr	1.4227	(1.4264)
Y	101.885	(102.650)
$ Index	65.2	(65.6)
Tokyo close Y 102.38		

Austria	Sch32	Greece	Dr350	Lux	LFr65	Qatar	QR13.00
Bahrain	Din1.250	Hong Kong	HK$18	Malta	Lm0.60	S.Arabia	SR11
Belgium	BFr65	Hungary	Ft185	Morocco	MDh15	Singapore	S$4.30
Bulgaria	Lw25.00	Iceland	IKr215	Neth	Fl 4.00	Slovak Rp	KSL50
Cyprus	C£1.10	India	Rs60	Nigeria	Naira50	South Africa	R12.00
Czech Rp	CZK50	Israel	Shk6.90	Norway	NKr17.00	Spain	Pta225
Denmark	DKr16	Italy	L3000	Oman	OR1.50	Sweden	SKr16
Egypt	E£5.00	Japan	Y500	Pakistan	Rs40	Switz	SFr3.30
Finland	FM14	Jordan	JD1.50	Philippines	Peso50	Syria	S£50.00
France	FFr9.00	Kuwait	Fils.625	Poland	Zl 32,000	Tunisia	Din1.500
Germany	DM3.50	Lebanon	US$1.50	Portugal	Esc225	Turkey	L13000
						UAE	Dh12.00

Intelligence sources say Tehran is backing IRA and Japanese Red Army

Iran accused of terrorist links

By Jimmy Burns and Stewart Dalby in London, Paul Abrahams in Tokyo and Julian Ozanne in Cairo

Britain and the US joined yesterday in warning Iran over its alleged support for international terrorism after obtaining intelligence information that Tehran was stepping up its links with groups including the Irish Republican Army and the Japanese Red Army.

In London, Mr Gholamreza Ansari, the Iranian chargé d'affaires, was summoned to a meeting with Mr Douglas Hogg, a foreign office minister, and told that the UK government had evidence of contacts between Iranian intelligence and the IRA.

The US has long accused Iran of sponsoring international terrorism and seeking to acquire nuclear weapons, and it has urged other countries not to offer the Islamic regime economic assistance. The allegations will put particular pressure on Japan, which has a relatively good relationship with Tehran.

In London the Foreign Office said: "We take the gravest view of any contact which might assist or encourage terrorism." Mr Hogg requested an assurance at senior level that contact between Iran and the IRA would be severed.

Mr Warren Christopher, US secretary of state, emphasised

■ UK terror claim underlines prickly relations Page 5
■ Editorial Comment Page 15

Washington's concern after contact with Mr Douglas Hurd, Britain's foreign secretary.

Speaking in Cairo, Mr Christopher said: "I would underscore my deep anger at the continued terrorism projected by Iran not only here in the Middle East but through other parts of the world."

Mr Christopher said such concerns were behind the US belief that that Iran did not qualify for equal treatment with other countries in areas such as financial assistance.

Mr Ansari last night emphatically denied any involvement by Iran in the supply of arms or money to the IRA. He said: "Iran has always strongly condemned any terrorist action in any place in any form or any time."

Asked whether Mr Hogg had produced any evidence at his meeting that there had been contacts between the IRA and the Iran intelligence service, he replied: "There was no evidence. I did not receive any evidence."

Sir Patrick Mayhew, Northern Ireland secretary, said the government was "quite satisfied" there had been contacts.

The IRA is thought to have been drawing on financial support from Iran and may have been on the verge of securing a large shipment of arms. According to western diplomats, Iran has also been training Japanese terrorists to conduct assassinations in Europe and the US.

They say that in recent months the Iranian government has been providing logistical and financial backing to the Japanese Red Army, a terrorist group that conducted a series of spectacular terrorist attacks in Asia and Europe during the 1970s and 1980s.

The allegations, if proved accurate, may embarrass Japan, which has been conducting an independent foreign policy with Iran.

S Africa forced to extend voting

By Michael Holman and Mark Suzman in Johannesburg and Patti Waldmeir in Ulundi

South Africa's interim executive yesterday responded to widespread criticism of organisational problems in the first all-race election by extending the voting into an unscheduled fourth day in several parts of the country today.

Officials of all main parties expressed concern about shortages of ballot papers and other election materials, particularly in many of the former black "homelands". Judge Johann Kriegler, head of the Independent Electoral Commission, the body charged with organising the elections, admitted that there had been a "substantial inadequacy" of voting supplies.

At his request, the ruling Transitional Executive Council gave permission for an extra day of voting in the affected areas.

"We must be able to say that all South Africans who want to vote are given the opportunity," said President F.W. de Klerk. "We've got to make this election work for all the people."

Chief Mangosuthu Buthelezi, leader of the Inkatha Freedom party, who on Wednesday had threatened to pull out of the elections unless the problems were solved, said the decision "would go a long way towards allaying the fears of many people about the election as a whole".

However, he maintained there were still "many irregularities, gross irregularities" and left open the possibility of withdrawing from the poll. "It doesn't seem likely that it is going to be free and fair," he said.

Earlier in the day Mr Nelson Mandela, the ANC leader, claimed the delays were the result of "massive sabotage" aimed at preventing voting supplies being delivered to black areas. ANC officials later played down the comments, attributing them to frustration with the slow progress.

The areas most affected were the former homelands of Lebowa, Venda and Gazankulu in the northern Transvaal, the Transkei in the eastern Cape, and

Continued on Page 16
Missing stickers and the miracle of KwaZulu, Page 5

Berlusconi pledges new deal for Italy

By Robert Graham in Rome

Italian media magnate Mr Silvio Berlusconi yesterday crowned his four-month career in politics by being asked to form Italy's 53rd post-war government which he pledged would carry out a major liberalisation of the economy, introduce a more federal constitution and shake up the inefficient public administration.

"I promise to introduce a new way of doing things in Italy," he said in a sombre statement after meeting President Oscar Luigi Scalfaro.

Recognising the size of the task ahead of him, he refused to be drawn into when he would announce his cabinet. But he is unlikely to be sworn in before the end of next week, and he will then have to obtain votes of confidence in both houses of parliament, which are virtually assured.

The ministerial team will be formed from the four-party Freedom Alliance that won a landslide victory in the March 27-28 general election.

Mr Berlusconi's Forza Italia movement, the populist Northern League of Mr Umberto Bossi and the neo-fascist MSI/National Alliance are all new to government. Only the small Christian Democratic Centre, formed from the rump of the old Christian Democrat party, has had experience in office.

Mr Berlusconi's political rise is the most rapid in recent Italian history. It is also the first time in a modern democracy that a man with a major business empire, involved in sensitive areas of national life like television, has been nominated prime minister.

The 57 year-old proprietor of Fininvest group, Italy's second largest business employing 33,000 people, was summoned to the presidential palace yesterday afternoon to be formally told of his investiture only after the final issues surrounding the conflict of interest had been resolved.

It was agreed that a three-man watchdog body be formed to guarantee that Mr Berlusconi retains a proper distance as prime minister from his Fininvest empire. Mr Berlusconi said the committee would consist of three prominent jurists drawn from the constitutional court, the council of state and the academic world. They would be responsible for checking existing legislation and proposing new safeguard laws.

Mr Berlusconi said he thought the existing anti-trust laws, if properly applied, would help ensure there was no conflict of interest. President Scalfaro also pledged his help, in his role as guarantor of the constitution.

President Scalfaro had been obliged to postpone the call to Mr Berlusconi on Wednesday

Continued on Page 16
Editorial Comment, Page 15

Several issues in Palestinian self-rule plan remain to be resolved

Israel and PLO set signing date

By Julian Ozanne in Cairo

Israel and the Palestine Liberation Organisation yesterday appeared to end months of bitter wrangling by agreeing to meet next Wednesday in Cairo to sign a landmark Palestinian self-rule agreement.

The agreement on self-rule in the occupied Gaza Strip and West Bank enclave of Jericho was originally supposed to have been signed last December 13. The critical breakthrough came in a meeting in Cairo between President Hosni Mubarak of Egypt, Mr Yassir Arafat, the PLO chairman, Mr Shimon Peres, the Israeli foreign minister, and Mr Warren Christopher, US secretary of state.

"For us it is the end of a long voyage and the beginning of a new chapter in the relations between the Palestinian people and ourselves, adding another footstep to peace in the Middle East," Mr Peres said yesterday.

Mr Christopher, who is on a Middle East tour, said he was impressed by "the sense of urgency that both sides now have on reaching a conclusion on this implementation agreement". He will cancel engagements in Europe and extend his regional tour to attend the signing ceremony between Mr Arafat and Mr Yitzhak Rabin, the Israeli prime minister.

Mr Mubarak said Mr Rabin would attend a pre-signing summit with Mr Arafat in Cairo on Tuesday evening. At that meeting the two leaders will be faced with two outstanding issues: the final size of the Jericho enclave; and whether Israel will allow the PLO to station Palestinian policemen on the Allenby bridge border crossing between Jordan and the West Bank.

Several other issues remain to be resolved, including the extent of jurisdiction of Palestinian courts, the security zoning arrangements for the Gaza Strip, and the composition of an 18-member interim Palestinian National Authority led by Mr Arafat which will govern Gaza-Jericho before elections.

It is also unclear whether the Palestinians will have symbols of

Continued on Page 16

Setting a date: Warren Christopher, US secretary of state, and PLO chairman Yassir Arafat in Cairo yesterday. Mr Christopher said he was impressed by "the sense of urgency that both sides now have" AP

Air France pressed to choose French buyer for Meridien

By John Ridding in Paris and Michael Skapinker in London

Air France, the state-owned airline, yesterday announced that it is to delay a decision on whether to sell its Meridien hotel chain to Accor of France or the British group Forte, which has made the higher bid.

The airline has sent the Forte and Accor bids to the privatisation commission, an independent body which advises the French government. It said a final decision, which had been expected at yesterday's board meeting, should be made soon.

The statement was seen as evidence of the strong pressure being exerted on Air France not to sell the chain, in which it has a 57 per cent stake, to a non-French buyer.

A minority shareholder in Meridien said yesterday: "We've been appalled at the clear political pressures that have been brought to bear that have nothing to do with the economics of the bid."

Air France confirmed yesterday that it suffered losses of FFr8.48bn ($1.45bn) last year, almost three times the deficit of FFr3.3bn recorded in 1992. The sale of a controlling stake in Meridien is an important element of a rescue package for the airline.

This would also include a FFr20bn capital injection from the French government, which would require European Commission approval. Industry observers argue that acceptance of a lower bid could add to resistance in Brussels to the capital increase.

A reference to the privatisation commission is part of the procedure for the selling off of state assets.

However, hotel industry observers said that the Air France board could have expressed a preference for one of the bidders and referred only that offer to the commission. The board eliminated from the contest a third potential buyer, Kempinski, the German hotel group, but declined to come down in favour of either Forte or Accor.

Meridien said this week that it favoured the approach from Forte, which values the chain at FFr1.8bn.

Accor, which has joined up with Prince Al Waleed of Saudi Arabia, has made a bid which values Meridien at about FFr1.6bn. But it argues that its offer would keep Meridien in French hands and would ensure a flow of business to Air France, thereby aiding its recovery.

Air France results, Page 18

CONTENTS

 LONDON · PARIS · FRANKFURT · NEW YORK · TOKYO

EUROPEAN NEWS DIGEST

Warsaw bows to union demand

Mr Grzegorz Kolodko, Poland's new finance minister, moved yesterday to end a confrontation between Solidarity and the government over wage controls in state industries. He said the controls, which the union is fighting to abolish, were not essential. Mr Kolodko, 45, an economist whose nomination was approved yesterday by President Lech Walesa, said the government would soon prepare measures to eliminate the risk that inflation would be fuelled as a result of dropping the controls. The statement came after President Walesa had expressed his doubts about the usefulness of the controls.

Solidarity said yesterday's token stoppages "had finally brought the union's demands to the fore". The union would continue to insist that the government implement a system of collective wage bargaining to replace the wage controls. Mr Wieslaw Kaczmarek, the privatisation minister, said his ministry would speed up the "commercialisation" of state companies which would streamline management and give the government greater control over wage decisions.

Mr Kolodko is a specialist on inflation who was in the past critical of Poland's shock therapy reform programme. However, lately he has argued for stringent monetary controls and said that as finance minister he would concentrate on reducing the budget deficit and reforming the welfare system. He also advocates selling government bonds which would be exchangable for state property as a way of reducing the national debt. However, Mr Kolodko concedes that in light of Poland's 16 per cent unemployment the 30 per cent a year inflation rate can only be reduced gradually. *Christopher Bobinski, Warsaw.*

Heineken workers call off strike

Workers at Heineken's two main Dutch breweries are to end their eight-day strike after a judge in The Hague said the blockades of Zoeterwoude and Den Bosch plants were illegal. The Netherland Union Federation members will return to work under a pay deal which has beenaccepted by the two other unions. The agreement gives workers a retroactive 0.5 per cent rise from January 1, a further 1.5 per cent increase next year and a one-off bonus payment of 1 per cent later in 1994.

The FNV had earlier rejected the deal. Although its members were returning to work it would not sign the new collective labour agreement and it would not co-operate in reorganisation plans. The strike, which was unusually bitter by the standards of the company and the country, forced Heineken to import beer from its plants in France, Spain and Italy to meet strong demand ahead of tomorrow's "Queen's Day" national holiday. *Ronald van de Krol, Amsterdam.*

Turks seek to reassure creditors

Turkish central bankers will today meet foreign creditors to explain government plans for restructuring three Turkish banks which closed this month. One foreign economist estimated the total foreign liabilities of the three banks – Turkish Turizm ve Yatirim Bank (TYT), Marmara Bank and Impexbank – at $200m. The banks' creditors are understood to include French, German, US and Swiss banks. Turkish newspapers reported that the main creditors were UBS and SBC of Switzerland. In the event of liquidation of the three banks, domestic depositors are likely to have first call on the banks' assets. A ceiling of TL150m ($4,800), raised from TL50m, has been set as the amount payable to individual depositors.

Turkey will want to reassure foreign creditors, on the eve of talks with the International Monetary Fund which start today. The talks are aimed at winning Fund approval for Turkey's austerity programme, to pave the way for Turkey to return to the commercial debt markets. *John Murray Brown, Istanbul.*

Car groups in recycling pact

Carmakers yesterday took a big step forward in dealing with the environmental problem of the 9m-10m cars scrapped annually in Europe. Renault, Fiat and BMW signed an agreement in Brussels under which each company will recycle each others' cars as well as its own. The three groups have a combined European market share of more than 28 per cent, and the agreement is likely to cover more than 1m of the cars scrapped annually. It is expected to include the UK's Rover Group, now owned by BMW.

The agreement is part of a planned European recycling network for the collection and recycling of scrapped cars agreed between the European Commission and the European Automobile Manufacturers Association (ACEA). Similar agreements are expected to be signed eventually by all Europea's carmakers. *John Griffiths.*

Paris shaves interest rates

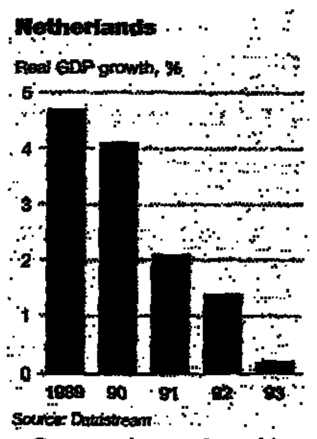
The Bank of France yesterday took a further step in its policy of gradually lowering interest rates, shaving its intervention rate, the key short-term official interest rate, by 10 basis points to 5.7 per cent. The move was the second reduction within a week and reflects the central bank's strategy of reducing borrowing costs in line with Germany. On Wednesday the Bundesbank reduced its repo rate by 11 basis points to 5.47 per cent. Yesterday's lowering of the French discount rate was the fifth this year. All of the reductions have been of 0.1 of a percentage point. The French currency took yesterday's move in its stride, strengthening slightly to trade at FFr3.429 to the D-Mark. *John Ridding, Paris.*

French take to share ownership

The French privatisation programme has brought 2.5m first-time share buyers into the market, according to a survey by the Commissions des Opérations de Bourse, the French stock market watchdog, and the Sofres market research consultancy. This increase in the number of private investors to 7m reverses the late 1980s trend whereby the French switched out of equities to return to cash investments such as Sicavs, the popular money market funds. The number of shareholders in France rose to 6.2m in 1987, at the height of the last centre-right government's privatisation programme, only to fall to 4.5m by late 1992. *Alice Rawsthorn, Paris.*

ECONOMIC WATCH

Dutch economy edges ahead



Dutch gross domestic product grew 0.2 per cent in real terms in 1993 compared with 1.4% growth in 1992, according to the Hague-based Central Bureau for Statistics. In the fourth quarter of last year GDP shrank 0.4 per cent from the previous quarter, although it was 0.3 per cent up on a year earlier. Both those figures were downgraded from the original estimate of a 0.3 per cent contraction in the fourth quarter from the third and a 0.5 per cent GDP expansion from the final three months of 1992.

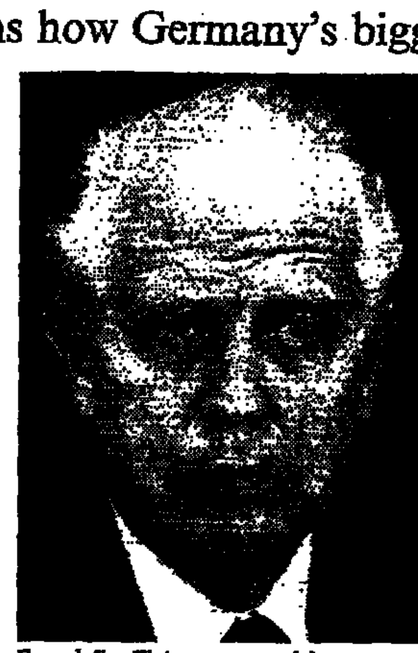
■ German plant and machinery orders rose a real 7 per cent in March and by 3 per cent in the first quarter from a year earlier, the VDMA industry group reported yesterday. Domestic orders for March were up 3 per cent while foreign orders grew 11 per cent.

■ German inflation rose by 0.3 per cent in April over the previous month, remaining at 3.2 per cent a year, the Federal Statistics Office announced yesterday.

■ Belgium's annual inflation rate was a preliminary 2.41 per cent in April, compared with 2.31 per cent in March, according to the Foreign Ministry.

Schneider affair errors leave dent in Deutsche Bank's reputation

David Waller explains how Germany's biggest bank allowed itself to be deceived


From left – Tietmeyer: no crisis


Schneider: fugitive


Kopper: debâcle

Germany is in the grip of "Schneider fever", says Mr Hilmar Kopper, chief executive of Deutsche Bank, following the disappearance of property entrepreneur Mr Jürgen Schneider, which triggered Germany's biggest property bankruptcy in decades.

The shock waves are such that even Mr Hans Tietmeyer, Bundesbank president, went out of his way this week to tell New York businessmen that the Schneider affair – closely following the near-demise of the Metallgesellschaft metals, mining and industrial group earlier this year – was not symptomatic of a general crisis in the German economy.

With property experts adamant that the collapse is a "one-off" which will not lead to widespread crisis in Germany's fragmented property sector, those most likely to feel financial hardship as a result of the affair are small businessmen owed money by the bankrupt group.

At the other end of the scale – the powerful Deutsche Bank – the damage to image and pride has been far worse, as Mr Kopper conceded on Monday.

The bank's exposure to Schneider is DM1.16bn – a mere 0.03 per cent of the bank's lending volume, of which "only" a few hundred million are at risk.

But as a poll this week in Die Woche newspaper revealed, 72 per cent of those polled blamed Deutsche Bank for the property debâcle – and only 18 per cent the fugitive Mr Schneider himself, who fled the country having taken at least DM219m of the group's money.

In a press offensive this week, Mr Kopper sought to play down the implications of the affair. In an interview with Die Zeit newspaper yesterday Mr Kopper blamed the surge of public hostility on "typically German feelings of envy" triggered by resentment at the bank's sheer profitability.

But for all Mr Kopper's attempts to treat the collapse as a normal, though big, bankruptcy, the debâcle has once again raised the question of what Deutsche bank knew and when, and whether it missed opportunities to prevent the group's demise. The same questions were asked of it in the Metallgesellschaft case.

As internal enquiries at the bank got under way, Deutsche officials disclosed this week that the bank took a policy decision to stop lending to Mr Schneider in 1992 when its exposure amounted to DM1.5bn out of the property group's total borrowings of DM2.8bn.

But Mr Kopper explained that this decision was merely part of a general risk diversification strategy. It was only last year, according to Mr Ulrich Weiss, the board member responsible for the Mannheim area from which Schneider borrowed money, that the bank's credit committee decided to watch Schneider critically.

Last February, Mr Weiss went so far as to question Mr Schneider closely following press reports chronicling his legal battles with suppliers over his failure to meet payments, and information from the Bundesbank which put the group's debts at over DM5bn.

Mr Weiss said Mr Schneider's answers were plausible. He promised to mend fences with the suppliers and said that the Bundesbank figure was caused by statistical errors.

The last contact with Mr Schneider was ten days before Easter when he and Mr Weiss fixed up a meeting to discuss the group's future. This was for last Monday and, not surprisingly, Mr Schneider – now facing fraud charges – did not turn up.

Mr Weiss stressed on Monday that despite the critical questions, there was no evidence that the group was in financial difficulties until April 7. On that Thursday he received a letter from Mr Schneider in which he announced that he had left the country on medical grounds and asked Deutsche Bank to provide a bridging loan. Deutsche refused to make the loan and the main holding company for the group filed for bankruptcy on April 15.

As fellow Deutsche board member Mr Georg Krupp explained on Monday, Mr Schneider was up until the last minute prompt and punctual in meeting payments of interest and capital. He also had DM583m cash at his disposal at the end of last year- all but DM5m of which has now vanished.

But were there not other warning signs? Two smaller banks, Norddeutsche Landesbank and BfG Bank are known to have demanded further security from Mr Schneider at the beginning of the year. Their scepticism was based on an audited statement of Mr Schneider's personal financial position as at the end of last year. This statement claimed that the Les Facettes shopping development in the centre of Frankfurt had a market value of DM983m – while property specialists put the value at less than DM200m.

It is this development which forms the basis of Deutsche's fraud claim against Mr Schneider. The claim says he falsified documentation when applying for a top-up loan for the project earlier this year. It emerged in the context of this claim that Deutsche lent DM415m against the project – more than twice the market value.

The loan was made on the basis that it would yield DM57m in rental income on more than 20,000 square metres of lettable space. In fact it yielded just DM8m on only 9,000 sqm.

Mr Kopper claimed that the biggest mistake the bank made was to "allow ourselves to be deceived". But critics are much harder.

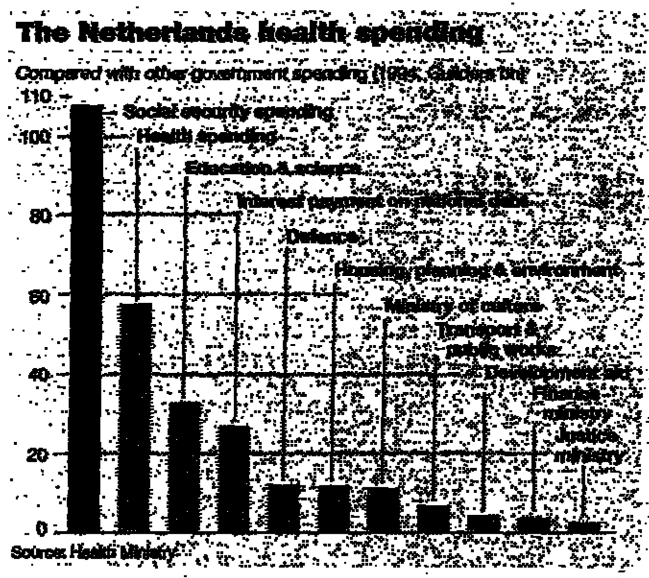
"There appears to have been a total breakdown in internal control," said Mr Ian McEwen, banking analyst at Merrill Lynch in London.

"At no stage did anyone ask the obvious questions about valuations. Proper oversight would have recognised the anomalies and picked them up."

Voters preoccupied with preserving and paying for social security provisions

Dutch parties cross swords over welfare

By Ronald van de Krol in Amsterdam



With its high standard of living and an unusually generous and extensive welfare state, the Netherlands is preoccupied with one issue as it prepares for national elections next Tuesday – social security and how to continue paying for it.

Parties vying for the attention of voters are more or less agreed on the need for European integration, on the importance of cutting the budget deficit and on the desirability of creating more jobs.

Where they differ most is on social security, a perennial preoccupation for a prosperous country which is home to some of the world's richest pension funds.

It is a sign of the times that one of the fastest growing parties, besides the far right, is the Algemeen Ouderen Verbond, or General League of the Elderly.

Founded just four months ago, it is poised to win up to four seats, marking the first time that the Netherlands' retired people – and people who hope to retire one day – have sent their own representatives to parliament.

Its lead candidate is Mrs Jet Nijpels, a 46-year-old former city councillor. The party is winning support from people aged 40 to 80 and its list of candidates includes economists, business executives and medical practitioners, with an average age of 62.

"Our appeal is not just to people who are already retired but also to 40-year-olds who want to be sure that in 20 years' time they'll be able to draw a substantial old age pension," says Mr Will Verkerk, a 55-year-old civil servant who is one of the party's candidates.

The party's appeal has been aided by the uproar among the elderly that followed the unveiling of plans by the Christian Democrats (CDA), the party of outgoing Prime Minister Ruud Lubbers which until now has been the largest in parliament.

The next government will have to tackle the future of the social security system and find ways of boosting jobs

The CDA's call in January to freeze the state old-age pension in order to find money to stimulate job creation has badly hurt the party's standing.

However, calculations made by the Central Planning Bureau, an independent economic forecasting body within the Dutch government, show that the policies of the three other main parties will also lead to a decline in purchasing power for pensioners.

Mr Frits Wester, campaign spokesman for the CDA's new leader, Mr Elco Brinkman, acknowledges that social security is a main issue for the party, as part of a wider focus on security at large.

"The emphasis is on security in its widest sense, in combating crime and ensuring that education is well funded and jobs are created," he says.

Nevertheless, the CDA's support has halved since 1989, creating the most wide-open Dutch election in decades.

The most radical plan for social security put forward by any of the parties is the "mini-system" proposed by the Liberals, who served as junior partners in two of Mr Lubbers' cabinets in the 1980s but who lost this role to Labour in 1989.

The Liberals want to cut unemployment, health and social security benefits to 60 per cent of the minimum wage, in order to encourage people to find jobs.

People seeking fuller protection against the risk of unemployment or ill health would have to take out supplementary private insurance.

Although coalition negotiations will not start until after May 3, the Liberals' plan is already dominating the pre-election jostling among parties sizing up possible coalition partners.

Mr Dig Istha, the campaign spokesman for Labour, says such drastic cuts in the social welfare system are unacceptable because they would hurt the weakest members of society.

Labour is particularly sensitive to reform of the social security system because it is still recovering from a sharp drop in support after it agreed to wide-ranging changes to disability insurance in the early 1990s.

"Those changes were made, not to do weaken the system, but to ensure that it could survive. Many voters saw this as an attack on social security, and it has been difficult to explain to them," Mr Istha says.

The fourth main party, D66, a left-of-centre grouping which may hold the balance of power after May 3, is also critical of the Liberals' plan for sharp cuts in benefits but has ruled nothing out.

With the four main parties about equal in the opinion polls, it is clear that negotiations on the future coalition will be difficult, because at least three parties will be needed to create a majority, a break from the 1980s when CDA-dominated two-party coalitions held sway.

"None of the parties has ruled out working with any of the others, and there are a quite a few possible combinations," Mr Istha notes.

Nevertheless, the defining element to the talks is likely to be the parties' views on the social welfare system and its future.

The Liberals will come under pressure to soften their stance, and the other parties will be encouraged to meet them part of the way.

A three-party coalition, and the concessions needed to hold it together, would seem to argue against a radical change in government policy.

Referring to the prospect of a multi-party coalition, Mr Herman Wijffels, chairman of Rabobank, told a gathering of foreign bankers in Amsterdam last week that the Netherlands was likely to "muddle through" over the next few years rather than take any decisive action.

The next government will have to tackle more than simply the future of the social security system. It will also have to find ways of boosting jobs at a time of rapidly rising unemployment.

Mr Wim Duisenberg, the president of the central bank, used his annual press conference yesterday to warn against any easing of the fight against the budget deficit to stimulate employment.

"At the end of the day, sound public finance and sustainable job creation are inextricably linked," he said.

The far-right gains a voice and votes

By Ronald van de Krol in Amsterdam

Projected gains by the far-right in the Netherlands' general elections next Tuesday could tarnish the country's reputation for tolerance.

Polls show that the Centrum Democraten (CD), a far-right party which won a large number of city council seats in municipal elections in March, is projected to win up to eight seats in the 150-seat lower house of parliament.

At the last general election in 1989 the CD managed to win just one seat, but this was enough to cause serious alarm in a country which cherishes its liberal tradition.

The Netherlands' best-known far-right politician, the CD member of parliament and party leader Mr Hans Janmaat, is currently standing trial for making discriminatory remarks and inciting hatred towards foreigners.

He and his party are campaigning under the political slogan "The Netherlands Is Full Up", and they suggest that immigrants, ethnic minorities and an annual inflow of 50,000 asylum seekers are affecting the country's prosperity and social security system.

The rising popularity of Mr Janmaat has forced the Netherlands' mainstream establishment to rethink its response to the far-right.

Until the 1994 general election campaign, politicians and journalists completely ignored Mr Janmaat in the hope that a lack of publicity would staunch his support. Newspapers did not cover his party or interview him, and politicians in parliament refused to engage him in debate.

This has now changed. HP/De Tijd, an Amsterdam-based news and arts magazine, recently interviewed Mr Janmaat under the banner "Dumbo or Demon?" Other magazines have infiltrated the CD and smaller extremist parties and published exposés on their members.

Lobby groups working on behalf of ethnic minorities, such as the Dutch Centre for Immigrants (NCB), oppose the media attention given to Mr Janmaat. But Mr Tinus Heijmans, NCB spokesman, says: "I can well imagine that although politicians would rather shun the CD, they sometimes feel forced to speak out."

A more serious and controversial view is that mainstream Dutch parties are moving to the right in their views on immigration and asylum seekers. Mr Heijmans believes that it is the tone, rather than the substance, of the other parties that is worrying.

Mr Frits Bolkestein, head of the Liberals, a pro-business party that formed part of two government coalitions in the 1980s, has taken a lead in trying to foster a national debate about immigrants.

Mr Bolkestein denies that he is opposed to foreigners. But he says that the Netherlands is attracting more asylum seekers because of a perception that it is an easier option than France or Germany, both of which have tightened their procedures.

Jests and solemnity as Yeltsin treaty is signed

By John Lloyd in Moscow

President Boris Yeltsin yesterday claimed that "only peaceful, constitutional methods" would now hold sway in Russian politics – after he and a range of political and social leaders had signed a Treaty on Social Accord at a Kremlin ceremony yesterday.

The treaty, bearing the mark of last-minute compromises and apparently not seen in its final form until yesterday morning by many taking part, is designed to produce a two-year moratorium on any efforts to provoke early elections or change the constitution and to establish the "general interest" as higher than those of any group, organisation or region.

It was signed two days after the assassination of a member of parliament, Mr Andrei Aizderdzis – an event which has the political world in a turmoil of calls for law and order. It precedes May 1 rallies in Moscow organised by a range of far left and right groupings. There are fears the rallies may become violent.

Mr Yeltsin, looking grave but fit, put the signing ceremony in an epic context by conjuring up the ghosts of Russia's civil war which followed the Bolshevik Revolution of 1917. "We have come to this agreement through long years," he said. "Almost no one who took part in the civil war is left alive, but there has been no reconciliation. The deep wound in the Russian body has not healed. Confrontation still lives in our souls. For the sake of our children's peace of mind, we must sign this treaty."

His gravity had been undercut in advance by the jesting of Mr Vladimir Zhirinovsky, the leader of the Liberal Democratic party, who told reporters he would decide to sign only on arrival at the gorgeous Georgevsky Hall in the Kremlin – on the basis of whether or not the president smiled at him.

Whether or not he received his smile, he did sign: but the pact was rejected by the large Communist party, the Agrarian party and the centrist Yabloko bloc. Mr Ivan Rybkin, the speaker of the lower house, also signed – provoking Mr Gannady Zyuganov, the Communist party leader, to question his right and Mr Sergei Baburin, a radical nationalist, to make a threat to his continued holding of the office.

Outside of the parties, the pact was signed by leaders of nearly all the autonomous republics and regions; of the main churches, including the dominant Orthodox; by most of the unions and by women's organisations; and by the two main Cossack organisations – the leader of one of which, Mr Victor Rateyev of the Cossack Union of Russia and Abroad, was brought hard up against the new era of peace by having to unhook his cavalry sabre before gaining access to the signing ceremony.

The final text made significant concessions to the interest groups powerful enough to extract them – especially the regions. They no longer have to promise not to change their status, nor must they bring their constitutions into conformity with the federal one.

At the same time, a commitment to secure individual rights as the highest aim was changed to "general" rights.

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NEWS: WORLD TRADE

JAL sticks to its buy-Boeing tradition with its latest purchase of up to seven short-haul 737-400 aircraft *Glyn Genin*

JAL in $280m Boeing deal

By Michiyo Nakamoto in Tokyo

Boeing, the US aircraft manufacturer, has won an order from Japan Airlines to supply it with up to seven 737-400 short-haul aircraft in a deal worth about $280m (£191.70m).

JAL said the aircraft would meet its new domestic service requirements and help improve local business prospects.

The 150-seat aircraft will be fitted with engines from GE, the US company. The Boeing 737-400 is the latest version of the twin-jet with a high-tech cockpit operated by a two-man flight crew. JAL expects to receive the first aircraft in June.

Airbus Industries in Paris said that the European consortium, which has been trying to increase sales in Japan, had not been invited to make a proposal for JAL's needs. Airbus has a short-haul aircraft, the A320, and recently won an order for 20 such planes from All Nippon Airways, Japan's second largest airline.

JAL, however, has a history of buying Boeing jets. "After an in-house study of small-capacity airliners, the decision went to the Boeing jet, which fits JAL's requirements regarding performance, operational economy and reliability," the company said.

JAL's subsidiary based in Okinawa has already ordered the Boeing 737-400, enabling the two airlines to co-operate in parts purchases, maintenance and pilot training.

Caracas set for airline auction

By Joseph Mann in Caracas

Nine Venezuelan and international groups have been given the green light to tender for Aeropostal, a government-owned airline to be auctioned off next month.

Aeropostal, with domestic and international routes, is the first asset offered for sale under an ambitious privatisation programme by the three-month-old administration of President Rafael Caldera.

The Venezuelan Investment Fund, a financial agency in charge of privatisation, said the groups prequalified for bidding on Aeropostal were: British Aerospace/Avro International Aerospace; Air France; Iberia; American Airlines; Continental Airlines; Aerolineas Centrales de Colombia; and three consortia led by Venezuelan financial institutions (Banco Progreso, Banco Itlao Venezolano/S F Profesional and Banco Union). Minimum price for the airline would be $62m (£41.1m).

The Caldera administration has said "accelerated" privatisation is an important part of its economic recovery plan. But privatisation has been delayed since March, when the first sale was originally set.

The previous government got more than $2bn from privatisations and was set to auction Aeropostal and other assets. But political instability that began with a failed coup in 1992 limited progress.

The Caldera government also plans to auction three electric power companies, several hotels and horseracing tracks.

Czech plant for Westvaco

By Patrick Blum in Vienna

Westvaco, the New York-based US paper and packaging company, will establish its first European plant in the Czech Republic as a springboard to markets in central and eastern Europe, the company announced yesterday.

The state of the art packaging plant to be built at Svitavy, about 120km east of Prague, will require an initial investment of $25m (£17.1m), but further investment will follow as business expands. "We would expect that amount to be doubled over the course of the decade," Mr John Luke, chief executive, said.

The plant will manufacture packaging materials and will be the first of its kind in central and eastern Europe, Mr Luke said. Production will start in late 1995.

Westvaco has had a sales and distribution company in Brussels for about 30 years, but this is its first manufacturing venture in Europe.

Following the opening up of the former communist countries several packaging companies plan to move into the region leading to fierce competition. This month, Austrian-based Mayr-Melnhof, one of Europe's top carton board and packaging groups, raised $270m to finance acquisitions in west and east Europe.

Gatt to probe steel complaint

By Frances Williams in Geneva

Gatt's subsidies committee yesterday agreed to establish an independent disputes panel on a complaint from Brussels that the US breached fair trade rules in imposing anti-subsidy duties on carbon steel flat products from six EU member states.

The duties were imposed definitively last August on exports from, among others, France, Britain and Germany. The EU disputes the US subsidy calculations, such as the inclusion of payments to redundant steel workers.

The panel is the second to be established by the committee to investigate US countervailing duties slapped on steel imports last year.

The duties followed a wave of anti-dumping and anti-subsidy suits filed by American steel producers in 1992, after a voluntary export restraint arrangement expired. Most, though not all, of the suits were later thrown out.

The subsidies committee also adopted two panel reports, one on Norwegian salmon exports to the US and the other on Brazilian milk exports to the EU. However, an attempt by the chairman of the committee, Mr Ole Lundby of Norway, to secure adoption of several much older panel reports met with less success.

US to plug holes in flat panel industry

Louise Kehoe looks at a bold initiative for development and manufacturing

The Clinton administration's plan to provide almost $1bn (£670m) for the development and manufacture of flat panel displays represents the boldest US industrial policy initiative in many years. The goal is to create a new US industry, where virtually none exists today. The $4.6bn world market for flat panel displays (FPDs), such as those used in portable personal computers, is dominated by Japanese producers with a handful of small US manufacturers holding about 3 per cent of market share.

The Clinton administration aims to start high-volume FPD manufacturing in the US with federal funds, expected to be about $500m in the form of research grant incentives to US companies or groups of companies, constructing up to four FPD factories.

The proposals are also expected to call for expanding existing FPD research and development programmes funded by the departments of defence and energy from a current level of $68m for 1994, to a $500m commitment over the next five years.

The increased funding for FPDs reflects a consensus within the US electronics industry that flat panels represent a "critical technology" in which the US is seriously lagging.

"The flat panel display industry is critical to US national and economic security," the American Electronics Association, an influential trade group, said in a recent report which called for increased government funding.

FPDs are classified as a "dual use technology" as defence contractors use the displays in the cockpits of aircraft, tanks, ships and in command and control systems.

The far bigger commercial market for FPDs encompasses portable computers, consumer electronics and a broad range of electronic instruments.

Dependence on foreign suppliers has long concerned the Pentagon, which began modest funding for display research in 1989. These concerns have been exacerbated because US defence contractors have faced problems in obtaining FPDs, according to US industry officials.

Japanese display manufacturers, geared to high-volume manufacturing of standard displays for the computer and consumer electronics industries, have apparently been unwilling to manufacture custom versions in smaller quantities to meet the special needs of US military equipment manufacturers.

The US computer industry's interest in domestic FPD manufacturing was fuelled when, in 1991, the Bush administration slapped dumping duties of 63 per cent on Japanese-made displays. Although these duties have been lifted, their effects on the US computer industry has not been forgotten.

More recently, shortages of FPDs, particularly advanced colour versions, have limited US production of popular portable computers and again focused the US computer industry's attention on the issue.

Despite agreement that the US should have its own FPD industry, no US company has been prepared to make the substantial investment required to construct a high volume manufacturing plant. "There are high barriers to entry in the FPD industry," says Mr Peter Mills, chief executive of the US Display Consortium, a group representing existing US display manufacturers.

A single large scale FPD production plant is expected to cost about $300m and the complexities of the production process mean that even the best Japanese manufacturers are said to achieve a production yield of only about 30 per cent.

Although demand for FPD's outstrips supplies and the world market is expected to exceed $20bn by the end of the decade, display manufacturing represents a high cost, high risk investment.

Attempts by existing US manufacturers to raise funds for expansion have so far failed and large users of FPDs in the US computer industry have rejected proposals that they co-invest in FPD production. Hence industry groups led by the American Electronics Association have called for a new level of "co-operation" with the federal government.

The Clinton plan for FPD funding is, however, controversial. By including incentives for the construction of manufacturing facilities in its proposals, the administration appears to be taking a significant step beyond previous US government involvement in commercial activities.

Most prior US funding for industry has been in the form of either procurement or research grants. One exception is Sematech, the US semiconductor industry consortium established to regain US technology leadership in chip manufacturing technology, which gets half of its annual $200m budget from member companies and the balance from the defence department.

However, even Sematech's activities are restricted to "pre-competitive research," and in practice much of the consortium's spending has comprised technology development grants to US semiconductor production equipment manufacturers.

It is a measure of the changing political climate in Washington that when Sematech was formed the US semiconductor industry backed away from initial plans to include manufacturing in the consortium's activities, recognising that this would not win the approval of "free marketeers".

It may now appear that the US is moving closer to an interventionist industrial policy by providing incentives for commercial manufacturing enterprises. Yet the private sector will retain the lead role, industry officials insist. Grant awards will be subject to review by private sector experts and recipients will have to provide at least half of the funds for manufacturing ventures.

The US government is showering grants - to be matched by contributions from private industry - on a wide range of industries. Nancy Dunne writes from Washington.

Negotiations are still under way for shipbuilding subsidies, and congressmen this week urged the passage of two grants for textile research.

The National Textile Centre, a consortium of four universities in textile producing regions, last year received $9m (£6.1m). The Tailored Clothing Technology Corporation, a consortium of businesses, labour unions, government and academia was allocated $3.4m.

Congressman John Spratt, a South Carolina Democrat, urged the approval of new funding "because our domestic industry can only survive the elimination of the Multi-Fibre Arrangement if it remains competitive on the world market."

Tokyo policy on Iran seen as being naive

By Paul Abrahams in Tokyo

The revelation that Iran may have been training Japanese terrorists to conduct assassinations in Europe and the US will produce acute embarrassment in Tokyo.

The discomfit is caused not merely because members of the Japanese Red Army, one of several left-wing terrorist groups which burst onto the international scene in the 1970s, might be planning attacks in western cities, but because of Japan's controversial policy of courting Iran with aid and finance.

The warnings yesterday by the US and UK governments that Iran must halt its apparent support for terrorist groups will put pressure on Tokyo to review its own policies towards that country, which have been based on the idea that it is assisting moderates in Tehran.

This justification for Japan's policy, formulated by Mr Kunihiko Saito, a permanent foreign vice minister and former ambassador in Tehran, is that the moderate and technocratic faction in the Iranian government is being led by President Ali Akbar Hashemi Rafsanjani. This faction, argues the foreign ministry, wants to develop economically – and therefore socially and politically – and should be encouraged.

Japan's western allies believe the Japanese foreign ministry is being naive. They say no evidence exists that President Rafsanjani opposes state sponsorship of terrorism. Indeed, they insist he in fact heads the top-level Supreme National Security Council which orders executions.

The Tokyo policy, motivated, at least in part by Japan's desire to secure adequate energy for a country has almost no natural energy resources, has included providing Tehran with much needed aid and finance. During late 1992, Tokyo, in spite of western reproaches, resumed aid to Iran, and the following May released Y38.8bn (£255m) for the Karun Dam project. A second tranche is due to be provided shortly.

Last month, in a separate move, the governor of the Central Bank of Iran announced Tehran had arranged the final details necessary to reschedule \$2.3bn (£1.57bn) in loans from Japan. The terms allowed a grace period of 24 months and the loans would be repaid over the following three and a half years.

Both the US and Britain have been anxious to prevent Tehran rescheduling its short-term debt as a means of bringing pressure to bear on Iran and its shaky economy which has been crippled by the Iran-Iraq war and the low price of oil.

They hope solidarity among the G7 on terrorism and the case of Mr Salman Rushdie, the author of the controversial work, The Satanic Verses, should help force a change in Iran's policies.

Western diplomats are bewildered by the Japanese policy, particularly as they believe Japan has suffered from Iranian-inspired terrorism. In July 1991 Professor Itashi Igarashi, the Japanese translator of Mr Rushdie's book, was murdered.

Japanese police believe the assassination was the work of trained assassins from Vevak, the Iranian ministry of intelligence and security headed by Mr Ali Fallahian. The Iranian embassy in Tokyo provided logistical support for the killers.

In addition, say western diplomats, the North Korean missile programme threatening Tokyo is being developed with Iranian money and technical co-operation.

North Korea's Rodong-1 missile is being tested in Iran, for example.

Western governments are clearly anxious to use the latest revelations to bring pressure to bear on Tokyo.

However, the foreign ministry in Tokyo yesterday insisted it had not so far seen any conclusive evidence of Tehran's involvement in state-sponsored terrorism. If the British government could provide clear evidence, appropriate action would be taken, it added.

Intelligence points to IRA-Iran drug connection

By Jimmy Burns, David Owen and Paul Abrahams

The IRA has been drawing on financial support from Iran, possibly linked to drugs transactions, and may have been on the verge of securing a large arms shipment.

This information, gathered by intelligence agencies, including Britain's MI6, appears to be behind the decision by the Foreign Office yesterday to warn the Tehran government to desist from further contacts with the Irish terrorist organisation.

British officials insist they had no alternative to taking yesterday's high profile action because of the firm nature of the information gathered.

Although some money is believed to have been exchanged between Iran and the Irish Republican Army, the action was largely pre-emptive and designed to stop the links from strengthening.

UK intelligence has been monitoring political links between the IRA and Tehran since the early 1980s. Recently the suspicion has grown that the IRA may have been aiming to secure financial and military support from Tehran as an alternative to Libya, which has been a main supplier of weapons and explosives.

The tilt towards Tehran follows intense efforts by the FBI and UK security forces to stop funding and logistical support from the US, and a crackdown on racketeering in Northern Ireland linked to the IRA.

Yesterday's announcement follows the recent arrest in Greece of two German subjects allegedly linked to a drugs operation involving the IRA and the Middle East.

The latest disclosure comes at a particularly sensitive time in Northern Ireland, with violence again on the increase and the main political parties in the province – including the IRA's political wing Sinn Féin – gearing up for the European election. This will inevitably be seen in Northern Ireland as a referendum on the Anglo-Irish peace initiative.

According to observers, there would be few more effective ways of undermining support for Sinn Féin in advance of this crucial poll than by linking the IRA to drug trafficking.

Republican leaders have traditionally been careful to disassociate themselves from drug-related crime and have frequently resorted to gun law to punish alleged traffickers.

Earlier this week the IRA killed one alleged dealer and injured 16 others in an offensive whose timing was felt by observers to have been heavily influenced by the election.

UK terror claim underlines prickly relations

Roger Matthews reports on some of the contradictions of Iranian foreign policy

Britain's accusation yesterday that Iranian intelligence agents had been in contact with the IRA will lengthen the already long shadow hanging over relations between the two countries. It also serves to underline the complexity of maintaining links with Iran, which often appears to be pursuing contradictory foreign policy aims.

Officially, Iran wishes to improve its contacts with Britain and with most other industrialised nations. Mr Gholamreza Ansari, the senior Iranian diplomat in London, said after being summoned to the Foreign Office yesterday the meeting had been very friendly. "I was informed about their concern", he said. "I am sure it is not right, but I will be in contact with my country – definitely it is not right." Mr Ansari is often seen at diplomatic receptions in London, smiling, affable, and presenting the face of Iran which is in line with official policy.

But a visit to Tehran serves as a reminder that Iranian policy also remains committed to the export of the revolution and to offering assistance to "oppressed Moslems" throughout the world. Officials deny there is anything sinister in this ambition. Words are our bullets, they say, stressing that many Moslems look to them for guidance. How those people choose to pursue their own domestic political struggles is a matter for them to decide.

Similarly, they say, Iran cannot stand by when Islam is blasphemed, as was claimed the case with British author Salman Rushdie. Mr Javad Larijani, foreign policy adviser to President Ali Hashemi Rafsanjani, said in an interview last year that to withdraw the fatwa condemning Mr Rushdie to death would be like disowning Islam and the Koran.

"The withdrawal of the fatwa is not the sort of condition which British politicians should put on relations with Iran. It is quite unreasonable", said Mr Larijani. Britain has been equally adamant that full diplomatic relations could not be restored with Iran unless the fatwa was lifted.

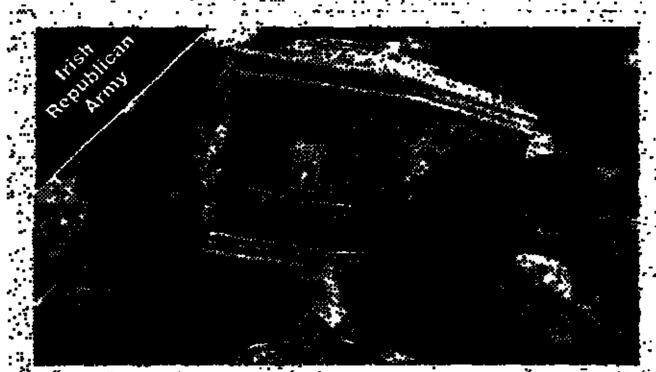
British officials add privately that at the very least they need assurances from Iran that no attempt will be made to carry out the fatwa, which was issued originally by the late Ayatollah Khomeini in February 1989. But in the absence of a single central authority in Tehran such an assurance would lack credibility, especially as the Iranian regime continues to pursue policies in the Middle East which are fundamentally opposed to British and other western interests.

Iran, for example, is totally against the peace process under way between Israel, its Arab neighbours and the Palestine Liberation Organisation, is the main supporter of Hizbollah, the radical Shia faction in Lebanon, and would welcome an Islamic government in Algeria. Officials in Tehran find nothing contradictory in pursuing such policies while also seeking to establish a better working relationship with Britain. For them it is a matter of the British coming to terms with the reality of the Islamic republic.

However, the accusation of links with the IRA can but lend support to US assertions that Iran should be shunned by the international community because of its links with terrorist organisations and alleged attempts to secure a nuclear weapons capacity. Mr Warren Christopher, US secretary of state, was quick yesterday to express his anger at "the continued terrorism projected by Iran" and to urge other countries against offering any economic assistance to Tehran.

Guilty or not, Tehran is sure to seek popular support by presenting the British charges as evidence of further western attempts to undermine the Islamic government, and probably as an attempt to distract international attention from what is happening to the Moslem community in Bosnia. It is an interpretation which will be comfortably accepted by many Iranians, including those who did not support the revolution. Such people, steeped in conspiracy theories, continue to believe that the UK helped to topple the Shah in 1979, and claim that if anyone lifted up Ayatollah Khomeini's beard they would find stamped the words "Made in Britain".

Two in terrorism



IRA members bearing casket with body of Maze Prison hunger-striker Bobby Sands to grave in Belfast in 1981

- Anti-British Irish republican militants have been active since 19th century.
- Present core of organisation – the Provisional Irish Republican Army – dates from 1969, when Northern Ireland civil strife entered particularly bloody period.
- Dedicated to forcing withdrawal of British troops from Northern Ireland and reunification of Irish nation.
- Claiming to defend minority Catholic population in Northern Ireland, 'volunteers' have continued campaign of violence against majority Protestants, security forces, commercial targets and members of British political establishment.
- In recent years, developed sophisticated structure of command aimed at minimising risk of infiltration, and strengthened itself financially and militarily with support from Middle East and US and series of illicit business enterprises in Ireland and UK.
- Believed to have hard core of several hundred trained terrorists with several thousand sympathisers. Political wing, Sinn Fein, campaigns in democratic elections on both sides of the Irish border.

Japanese Red Army member with hostages before boarding [illegible] for Kuala Lumpur airport in 1975

- Founded 1969; one of several left-wing terrorist groups to [illegible] international scene in early 1970s.
- Came to prominence with participation in attack on Tel Aviv [illegible] which 27 killed, 76 injured.
- Carried out series of bombings in Tokyo, one [illegible] eight, injuring 385; involved in bloody hijackings culminating with seizure of Japan Air Lines aircraft in Kuala Lumpur.
- After 1977, group disappeared until 1986, when, at time of Tokyo G7 summit, home-made rockets were fired at Japanese embassy in [illegible] though no one hurt. Then implicated in series of attacks in Europe and Middle East.
- Member indicted last year for 1988 bombing of American United Services Organisation club, Naples, which killed five and injured 16.
- Japanese Supreme Court recently upheld death sentences on two leaders for 15 murders.
- About 100 members still thought to be in Japan, most others arrested or having fled to North Korea or Lebanon. Remnants of leaders [illegible] believed to be in Lebanon with Palestinian guerillas.

THE NEW JAPANESE CABINET

Prime minister	*Tsutomu Hata*
Justice minister	Shigeto Nagano
Foreign minister	Koji Kakizawa
Finance minister	Hiroshisa Fujii
Education minister	Ryoko Akamatsu
Health and welfare minister	Keigo Ouchi
Agriculture, forestry and fisheries	Mutsuki Kato
International trade and industry	*Eiuiro Hata*
Transport minister	Nobuaki Futami
Posts and telecommunications minister	*Katsuyuki Hikasa*
Labour minister	Kunio Hatoyama
Construction minister	Koji *Morimoto*
Home affairs minister	Hajime Ishii
Chief cabinet secretary	Hiroshi Kumagai
Director general, Management and Co-ordination Agency	Koshiro Ishida
Dir gen, Hokkaido and Okinawa Development Agencies	Moriyoshi Sato
Dir gen, Defence Agency	Atsushi Kanda
Dir gen, Economic Planning Agency	Yoshio Terasawa
Dir gen, Science and Tecnology Agency	Mikio Omi
Dir gen, Environment Agency	Toshiko Hamayotsu
Dir gen, National Land Agency	Megaumu Sato
Director, Cabinet Legislation Bureau	Takao Ode

Hata line-up packs few shocks or surprises

Majority of key posts go to the PM's own party, writes Michiyo Nakamoto

Born in uncertain circumstances, the cabinet formed by Prime Minister Tsutomu Hata yesterday contained few appointments that might surprise or disturb.

Most key posts went to members of the Shinseito, or Japan Renewal party, led by Mr Hata and the former Liberal Democratic party political operator Mr Ichiro Ozawa, who is thought to be the real power behind Mr Hata's gentle façade.

With the departure of the Social Democratic party, Shinseito, which held the reins from the start, has become the largest party in the coalition and won eight cabinet posts, including those of chief cabinet secretary, finance minister and international trade and industry minister.

Komeito, the Clean Government party, which is linked to the Buddhist Soka Gakkai movement and has worked hand in hand with Shinseito, received six posts as its reward. They include Posts and Telecommunications, Transport and Construction.

Of particular interest to the international community will be the new foreign minister, Mr Koji Kakizawa, head of the seven-member Jiyuto (Liberal party), which recently joined the coalition after defecting from the Liberal Democratic party.

Judging from his personal history, Mr Kakizawa (at 60 he looks at least 10 years younger) seems a natural choice for the post. He entered the Ministry of Finance straight out of Tokyo University's economics department, a beginning that virtually guarantees a shining career in status-conscious Japan.

During his years as a bureaucrat, Mr Kakizawa, who speaks both French and English, trained at the French Finance Ministry and served at the Japanese embassy in Belgium. His contribution to Franco-Japanese friendship (he happens to be a wine lover) brought him the Légion d'Honneur in 1989.

He entered politics in 1977 when, ironically, he ran for a seat in the Upper House, under the banner of the New Liberal Club, headed by Mr Yohei Kono, at present leader of the opposition Liberal Democrats. He won that seat and has since been elected five times to the Lower House.

As a politician, Mr Kakizawa has directed his talents toward foreign affairs. As parliamentary vice-foreign minister, a post he kept until last year, he paved the way for deployment of Japanese UN peacekeepers in Mozambique and acted as right-hand man to Mr Michio Watanabe, then foreign minister.

His closeness to Mr Watanabe, known for his right-wing tendencies, indicates his views are likely to be in line with those of Mr Ozawa, the brain behind the coalition's policy.

> The Trade Ministry may well expect some changes. Mr Hata is known for his forward-looking approach

Similarly politically correct is Mr Hiroshi Kumagai, former trade minister and Shinseito member, who has become chief cabinet secretary.

Mr Kumagai, a career bureaucrat before turning to politics, kept a fairly low profile as trade minister but is far from lacking in force.

He caused an uproar as trade minister when he unexpectedly sacked a senior official at the Ministry of International Trade and Industry for promoting another bureaucrat who was planning to run for parliament.

Mr Kumagai is also known as being more vocal than most about Japan's need to deregulate. As trade minister he was not afraid to stand up for Japan in its confrontations on trade with the US.

The man who replaces Mr Kumagai at trade has more of a reputation for tact. Mr Eijiro Hata, also from Shinseito, was at the helm of the Agriculture Ministry during one of its most turbulent years, when Japan finally agreed to open up its rice market to imports and was forced at short notice to let in imported rice due to a shortage caused by cold weather.

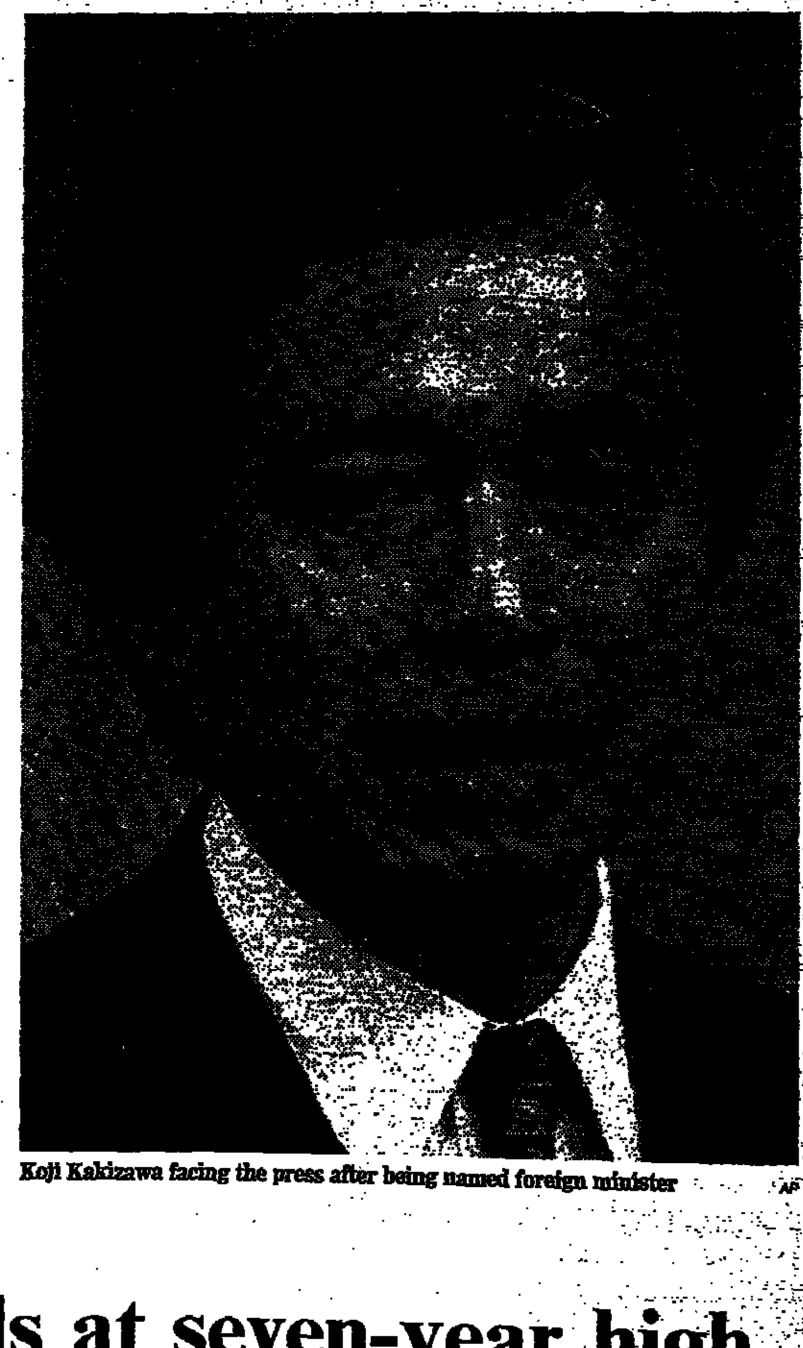
If Mr Hata's career history is any guide, the Trade Ministry might expect some changes. Known for his forward-looking approach, Mr Hata was instrumental in the privatisation of Nippon Telegraph and Telephone in 1985 when privatisation was not the trend it is today.

Also of note is the appearance in the cabinet of Mr Kunio Hatoyama as labour minister. A former education minister, Mr Hatoyama comes from one of the most blue-blooded families in Japanese politics.

His great-grandfather was a former Lower House speaker, while his grandfather was prime minister in the 1950s. His brother is a Lower House lawmaker who once served as deputy chief cabinet secretary.

Other members of his family include former prime minister Kiichi Miyazawa, and a former minister of education. Outside politics, other family members include an honorary chairman of Daiichi Kangyo Bank and a nationally-famous composer.

But Mr Hatoyama, 45, does not need to rely on the fame of his relatives. As education minister he unleashed a heated nationwide debate by proposing to scrap private business exams which he felt encouraged excessive competition among schoolchildren.



Koji Kakizawa facing the press after being named foreign minister

Housing starts fall for first time in 22 months

Japan unemployment rate stands at seven-year high

Japan's Management and Co-ordination Agency said the country's unemployment rate in the year to March stood at 2.6 per cent, up 0.4 percentage points from the previous year, and the highest level in seven years, news agencies reported from Tokyo.

Meanwhile, housing starts fell for the first time in 22 months in March, dropping 0.7 per cent from the year before to 118,852 units, the Construction Ministry said.

In a separate report, the Labour Ministry said the ratio of job offers to job seekers, an indicator of labour demand, fell last fiscal year to 0.71 from 1.0 in the previous year to March.

The figure means that were 71 jobs for every 100 people seeking employment.

In March the jobless rate stayed flat from the previous month to a seasonally-adjusted 2.9 per cent, but the agency indicated that the demand for workers in some industries remained weak.

The decline in housing starts, which came in spite of a rise in starts on owner-occupied homes and houses for sale, came from a decline in starts of rental houses, the ministry said. In February housing starts were up 6.3 per cent.

Starts on owner-occupied homes increased 2.9 per cent to 42,516, rising for the 10th month in a row. Those on houses for rent declined 18.9 per cent to 43,258, fallingfor the second straight month.

In the year to the end of March, construction starts grew 6.3 per cent from the year before to 1,509,787, rising for the second straight year.

Starts for owner-occupied homes rose 11.5 per cent from the previous year to 536,908; up for the second year in a row.

Construction of houses for rent declined 5.1 per cent to 651,563.

This represented a turnaround from an 18.0 per cent rise in the previous year.

Whites eye a volkstaat bolt-hole

By David Albino in Cape Town and Michael Holman in Johannesburg

SOUTH AFRICAN ELECTIONS

To the dismay of many Capetonians, proud of the city's liberal traditions, they face the prospect of becoming the nearest thing to a *volkstaat*, or Afrikaner homeland, *that the new South* Africa can constitutionally encompass.

If the ethnic arithmetic is correct, Mr F.W. de Klerk's National party could emerge, if not the majority party, at least *the largest single party in the* Western Cape, one of the nine provinces which will have their own legislatures.

Most of the province's 1.3m "coloured" (mixed race) electors appear likely to support the National party, the 656,000 white voters are divided *between it and the liberal Dem*ocratic party, and the bulk of the estimated half million black residents support the African National Congress.

A city that saw itself as a bastion of liberalism will have Mr Hernus Kriel, the outgoing minister of justice who now *leads the party's provincial list* of candidates, as the regional premier. It was no accident that Mr de Klerk chose to wind up his election campaign last Saturday with a rally in the city, or that Mr Joe Slovo, one *of the ANC's big guns*, was sent to reassure a coloured *community clearly nervous* about the prospects of black majority rule.

On the face of it, Mr de Klerk won the day. The packed audience at the centre was overwhelmingly coloured, and responded warmly to the National party leader's appeal *to them to return to what he* called their traditional home.

It was a poignant event, given the tortured relationship between white South Africa and the coloured community. Despite relegation to second-class citizens, and their eviction in the 1960s from District Six, their *historical* home at the heart of Cape Town, *much of the coloured commu*nity – bound as kith and kin, and speaking Afrikaans as their first language – seemed to have responded to Mr de Klerk's appeal.

In theory the Western Cape *could* become a *cultural* as well as political redoubt of the *National* party.

And though in the new South Africa it is not always considered polite to say so, many whites are starting to see *the* province as a physical bolt-hole, one which they have no immediate intention of using, but are nonetheless tak*ing comfort from its presence.*

The ANC, however, may yet take the Western Cape. It has the support of many coloured voters, and – judging by the long queues outside polling stations in Nyanga, Crossroads *and other townships – the* number of black voters may have been underestimated.

These sad urban slums have become home to many thousands, if not hundreds of thousands, of black settlers, who have come into the city environs since influx controls on *migrant labour were eased* from the late 1970s.

Here, say optimistic ANC officials, is their heartland where there may be enough support to confound the pollsters. These shanty dwellers were among thousands of Western Cape ANC supporters *who gave a huge eve-of-elec*tion boost to the party's hope in the region by swamping the ceremony marking the hoisting of South Africa's new flag in Cape Town this week – their cheerful chants virtually drowning out the speeches at the ceremony. They underlined *the vigorous battle for control* of the new province being fought with the National party.

Predictions that the Western Cape could be the NP's stronghold appeared to galvanise into action voters who massed at the polling stations in spite of drizzle and chilly temperatures.

Queues of enthusiastic voters up to three miles long formed on Wednesday at Mitchell's Plain, a predominantly coloured area outside Cape Town, where the National party sees strong support.

"I won't tell you who I'm voting for, but I bet there's going *to be a few surprises,*" *said* Mrs Sophie Cupido, who was one of the earliest arrivals, having waited patiently since before dawn.

In the suburbs on the slopes of Table Mountain, the queues contained voters *for a mix of* parties. An ANC table, set up *at a discreet*, and legal, distance from the polling station, was doing brisk business.

"We're not surprised by the level of support. It's to be expected. We're confident of success," an ANC official said.

A total of 32 white *supremacists* had been arrested in connection with an election bombing campaign that has killed 21 people, South African police said yesterday, Reuter reports from Johannesburg. But Mr Eugene *TerreBlanche, leader of the* white extremist Afrikaner Resistance Movement (AWB), said he expected more bomb blasts until Afrikaners achieved a homeland of their own.

"*We made another* arrest late last night," Police Colonel David Bruce told Reuters *yesterday.This followed a* news conference on Wednesday, when police announced the arrest of 31 *men in a series of swoops.* They also seized a quantity of explosives, arms and ammunition.

Col Bruce said all those arrested were members of the AWB's élite black-garbed Iron Guard (Ystergaarde).

Missing stickers and the miracle of KwaZulu

By Patti Waldmeir in Ulundi, KwaZulu

At 3pm yesterday Mr Joseph Jiyane was sitting on a bench under a tree, outside the empty KwaMame polling station over which he presides. Inside, *bored electoral officials* sprawled in chairs or slept on benches, waiting for the ballot papers without which voting could not continue.

This was a common sight yesterday in the KwaZulu black homeland, *the support* base of Chief Mangosuthu Buthelezi's Inkatha Freedom party.

KwaMame's story was typi*cal: on Wednesday Mr Jiyane* had ballot papers, but had none of the stickers showing the IFP, virtually the only party supported by local residents, which had to be affixed to the ballots because of the party's *late entry* to the race. Yesterday he had stickers but *no ballot papers.*

Though the Independent Electoral Commission said it had airlifted 100,000 ballot papers to Ulundi, capital of the KwaZulu "homeland", none had reached KwaMame, only some 20km away down a good tarred road, and no one could explain why this was so.

As has become common throughout the three days of South Africa's first all-race *poll, explanations from the IEC* were less than satisfactory.

Yesterday Mr Dikgang Moseneke, IEC commissioner, visited the Prince Dabulamanzi polling station near Ulundi, and emerged to tell the press that the station was using some of the new ballots deliv*ered by airlift. But Mr Peter* Mohapi, presiding officer, insisted that this was not so, and said he had complained to Mr Moseneke, a lawyer at the Pretoria bar, that new ballot papers had not arrived.

It seemed, once again, that the IEC was either confused or *had failed to convey the real* picture. So it is scarcely surprising that Mr Mohapi said he thought there was "something fishy" about the role of the IEC in KwaZulu.

But if the IEC largely failed the voters of KwaZulu, the same cannot be said of the *KwaZulu government, whose* facilities were used shamelessly to ensure IFP voters got to the polls, even if that meant travelling many kilometres by KwaZulu government bus to find a polling station with ballot papers, IFP stickers, invisible ink, official stamps and all *the paraphernalia required to* make voting possible.

At Nsabekhuluma School, where Mr Henry Buthelezi, presiding officer, had managed to assemble all the necessary materials, one packed bus was driving away as we arrived, and another arrived soon afterward.

Voters came from distant rural *areas*, where *ballot* papers were scarce, to Mr Buthelezi's polling station, situated in the Mhlabatini district which is the seat of the large *Buthelezi clan over which* Chief Mangosuthu presides.

Passengers filed out of the buses and stood in rigid queues, clutching KwaZulu government identity cards, waiting to vote.

*Their quest for a polling sta*tion finally over, they could return home knowing they had voted for the party of their choice. As Mr Buthelezi *pointed out, it was not too dif*ficult to guess which that might be.

Gesturing over the high hills of rural Zululand, Mr Buthelezi said he believed all the voters of Mhlabatini district would have voted, *with the help of* some politically motivated *bussing, by the end of the* day.

But he doubted whether those in deep rural areas would have had the same chance.

The extension of voting to *today may permit them to do* so. But it will have been a long and unnecessarily frustrating process, for which the blame must be shared between Chief Buthelezi for his tardy entry *to* the election, and the IEC for *its failure to organise* in KwaZulu.

Still, matters could have been much worse: KwaZulu has been almost entirely violence-free for the first time in months. That, in itself, was a miracle.

Printing foreman Evert Tarol displays a proof of a ballot form at a printing plant in Port Elizabeth late yesterday. Thousands more such forms are being printed and distributed to keep up with demand in the country's first all-race elections *Associated Press*

Yemen clashes flare as deputy PM is attacked

By Eric Watkins in Sanaa

Prospects of a peaceful solution to *Yemen's political crisis appeared to* have diminished sharply yesterday with an assassination attempt on Mr Hassan Makki, a deputy prime minister, and continued armed clashes between northern and southern military units at Amran, about 35 miles north-west of Sanaa, the capital.

Mr Makki, a supporter of northern leader Gen Ali Saleh, was shot while leaving an emergency meeting of the *ruling General People's Congress*, convened to discuss the latest outbreak of fighting between troops of the former North and South Yemen. Mr Makki suffered two bullet wounds and three of his aides were killed.

Northern and southern leaders have blamed each other for starting the battle which broke out on Wednesday, a year after Yemen's multi-party elections, the first held in *the Arabian peninsula. The fighting*, which continued yesterday, is the latest in a series of clashes which have marred the peace agreement brokered by Jordan's King Hussein and signed in February by Gen Saleh and Vice-President Ali Salem al-Biedh, leader of former South Yemen.

The day after the signing in Jordan, skirmishes erupted in South Yemen near Zinjibar, about 65 miles *east of Aden, and other battles have* since been fought in the north. Diplomats said up to 250 people had been killed or wounded.

Gen Saleh and Mr al-Biedh had jointly ruled the country following the unification of North and South Yemen in May 1990. *But* in August last year Mr al-Biedh returned to his power base in Aden where he has since remained.

***In September* 1993 he issued an 18-point programme of national reform and demanded its full implementation as a condition of his rejoining Gen Saleh. Gen Saleh and Mr al-Biedh signed a modified version of the programme in Jordan, but it has yet to be implemented.**

Chinese tax reform 'collapsing'

By Alexander Nicoll, Asia Editor

FT

Ambitious reforms of China's taxation system, introduced only at the beginning of the year as part of Beijing's drive to re-establish control over the economy, may already be failing.

Mr Gerald Segal, *senior* fellow of the International Institute for Strategic Studies, said yesterday that reform of the tax structure had "completely collapsed". He told a Financial Times conference on Asian capital markets that Beijing had been trying for several *years to regain power lost to* the provinces as a result of economic liberalisation, "and each time they [the central authorities] are made to look more and more foolish".

The changes made in January included new tax-sharing arrangements between the cen*tre and the provinces, as well* as a value-added and other new taxes. However, mechanisms for central tax collection were not yet in place.

Introduced with financial and currency reforms, the tax reforms are part of the government's plan to have better *macroeconomic control* so that the economy ceases to swing wildly from boom to bust. They are also intended to reduce the central government's chronic budget deficit.

Yesterday, Beijing received a welcome sign *that attempts to* slow rampaging growth may *be working, with news that* annual inflation in big cities eased in March to 24.5 per cent from 25.9 per cent in February.

"We have achieved initial success in curbing price rises, thanks to improved market *control at the central and local* level," the State Statistical Bureau said in Beijing.

At the London conference, however, Mr Segal said both Beijing and the provinces were complaining about implementation of tax reforms and there was little sign of the new tax-*sharing arrangements being* put in place.

Mr Richard Margolis, managing director of stockbroker Smith New Court Far East, agreed *implementation of the* new system had failed.

Mr Margolis felt the relationship between the centre and provinces would be taken in hand after the eventual death of Mr Deng Xiaoping, China's 89-year-old *leader*, as part of an assertion of control by leaders *needing to build political* stock.

Mr C.G. Wu, general manager of the London branch of the Bank of China, a state-owned commercial bank, said the tax reforms "will definitely go ahead", since they were a *key part of government policy.* But they would take time *because of the amount of work* that had to be done in a country of China's size. However, Mr Francis Leung, managing director of Asian securities house Peregrine Investments, said foreign investors were worried *about* the effect of new taxes on investments.

The US Securities and Exchange Commission yesterday offered to advise securities regulators in Beijing on developing Chinese *financial markets, when SEC chairman Arthur Levitt, signed* a memorandum of understanding at the China Securities Regulatory Commission, writes Patrick Harverson in New York. The memorandum establishes a framework to provide technical assistance to the CSRC, and allows for information sharing and co-operative enforcement of US and Chinese securities laws. The accord would lead to improved protection for Chinese and US investors, Mr Levitt said.

Oxfam warns of Rwanda genocide

By Michael Holman, Africa Editor

The lives of up to half a million Tutsi in Rwanda are in "grave danger," the British aid agency Oxfam warned yes*terday, adding that the* "pattern of systematic killing" in the central African country "amounts to genocide".

Only 30,000 Tutsi refugees had crossed the river which marks the Rwanda-Burundi border, *said Mr Maurice Her*son, an Oxfam official. The ref*ugees had been attacked along* the way, and some had been mutilated, with their fingers or one foot cut off, rather than killed.

Refugees have *told* aid workers that local militias have systematically hunted and killed people.

When violence first erupted on April 6, says Oxfam, it *appeared that forces within* the Rwandan government armed and directed its youth militias to attack the Tutsi and also Hutu liberals and opponents of the regime.

Despite calls by ministers in the new Rwanda government for an end to the massacres, the militia have *continued to* slaughter Tutsi.

"It appears that the attacks are being incited and organised by powerful political and military groups," said Oxfam yesterday.

Thailand economy continues to expand

By William Barnes in Bangkok

Thailand's expanding economy produced a 16.8 per cent rise in exports and a 12.4 per cent *increase in imports in the first* quarter, but statistics issued by the Bank of Thailand yesterday show higher inflation.

Consumer prices rose 4.8 per cent in the quarter. The bank wants to hold inflation at 4.2 per cent this year, against 3.3 per cent in the last quarter of 1993.

The relative decline in Thai interest rates and a slide in Bangkok share prices chased out "hot money", non-resident baht accounts and portfolio investments. More surprisingly, *foreign direct* investment showed no recovery, following a 29 per cent fall in 1993.

Mrs Tanya Sirivedhin, head of economic research at the bank, said other countries such *as Malaysia* had also recently been affected by a slowdown in *direct foreign investment, fol*lowing the generally slow growth in western economies.

The current account deficit shrank slightly to Bt44bn (£1.2bn) in the opening quarter against Bt48bn in 1993.

Industrial production rose 8.5 per cent in the first quarter compared with 1993, below the central bank's target of 9.7 per cent for the year. The index rise averaged 11.4 per cent in 1993.

Li Peng tip-toes along the old silk route

China seeks wider ties with Central Asia without ruffling Moscow's feathers, writes Steve LeVine

China's premier, Mr Li Peng, trod carefully during his tour of ex-Soviet Central Asia. He did not want to kick up any dust from the decades of suspicion and rivalry between Russia and China. "The *idea is to reduce* the hostility, the perceived threat from China," a diplomat in Alma Ata, the capital of Kazakhstan, said yesterday. "He can't do it in one visit, but he is trying to start the process," he added.

During his 12-day tour, the first by a top Chinese leader to the land once called Turkestan, Mr Li has entered territory over which Moscow still claims suzerainty. Until the 1920s the region *was a nest of* Chinese and Russian spies seeking to undermine each other, but now there is little to suggest that Moscow could be dislodged any more than Beijing could be unearthed from Sinjiang.

Moscow, which has remained silent over the arrival and travels of Mr Li, could be forgiven if it harboured some apprehensions about the Chinese premier's visit, which ended yesterday. This is mainly because *few Sino-Russian* observers believe Beijing has genuinely dropped its historic claims to the region, where the Han dynasty ruled till the second century.

If anything, Mr Li's constant references to *reviving Marco* Polo's Silk Road have only underscored China's interest, and growing influence, on its western border.

"Li would be happy to increase Chinese influence here," said a western analyst in *Uzbekistan's* capital, Tashkent, Mr Li's first stop on the tour. "Chinese leaders know that historically the countries on their borders have the greatest opportunity to destabilise the mainland," he added.

While appearing to want to demonstrate the opposite, Mr Li and his Central Asian counterparts have displayed a mutual interest in China's recovered regional influence.

Arriving in Uzbekistan last week, Mr Li was publicly fêted and in Turkmenistan he was asked – and agreed – to examine a plan to pipe the republic's abundant natural gas to Chinese Turkestan's rich Tarim Basin, to connect with a future 1,500-mile pipeline to *China's east coast. In Kyrgyz*stan, Mr Li was presented with a horse and in Kazakhstan he was treated like a delicate potentate, shielded from protesting Uigur nationalists and from foreign journalists.

Everywhere, to Mr Li's gratification, he was assured that there would be no support for the local Uigur nationalists, who claim responsibility for repeated bombings in Sinjiang.

Russian commercial, military and political influence dwarfs all other comers to Central Asia. But the ramifications *of Mr Li's visit are sizeable.* By improving its links with China Central Asia is not placing all its hope and trust in Moscow and the Russian economy.

Mr Li sees the same potential as the western investors who have flocked to the region to exploit its huge oil and natural gas reserves. While Moscow *has made it clear that it* expects to share the profit from exploitation of the region's resources, for China the Central Asian nations could help relieve a projected chronic energy shortage.

Now a net energy exporter, China is expected to become an oil importer by the end of this year.

Thus, though the suggestion to build a natural gas pipeline from Turkmenistan might seem preposterous, since routes through Turkey and *Russia are far nearer the sea*, a second glance shows that it *might not be so far-fetched.* After all, Turkmenistan must build an alternative to the Russian pipeline that transports its natural gas – virtually its only hard-currency source – if it ever is to gain some indepen*dence from Moscow.*

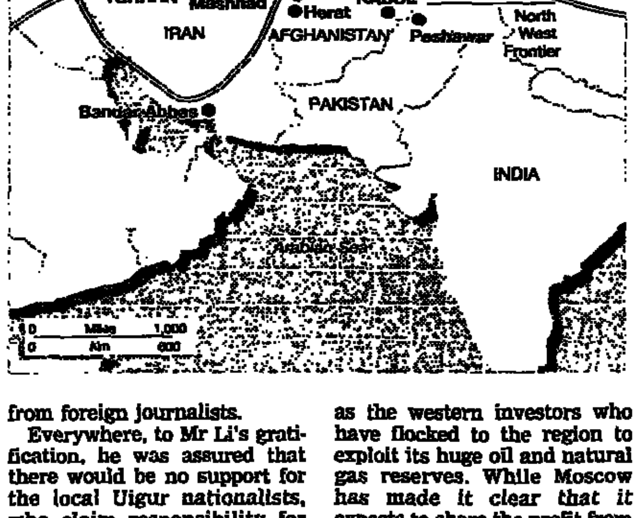
Since Beijing plans anyway to build a pipeline from Tarim, China and Japan are willing at least to consider an additional leg from Turkmenistan.

China, next to Russia, has *become the biggest foreign* trader in energy-rich Kazakhstan. Last year Uzbekistan sold seven IL-76 aircraft to China – the aircraft were made in the republic's huge Soviet-era plant – and Mr Li expressed interest in buying more.

Mr Li and his entourage of 100 aides, journalists and businessmen have trumpeted the tour as a way to showcase *increased trade on the old Silk* route. And he has made it clear that he expects support in suppressing the manageable Uigur rebellion.

But he also had a third, probably more important aim. A *diplomat in the Turkmenistan* capital, Ashkabad, described his tour as an epitaph to the former Soviet Union and Moscow's sphere of influence in the region.

Li Peng: trying to reduce perceived threat from China AP



African Development Bank 'needs overhaul'

The African Development Bank needs a radical overhaul of its lending policies, projects and internal structure, a panel of outside consultants recommends, Reuter reports from Abidjan.

They give warning of the consequences if the 30-year-old bank fails to reform. "If not strengthened, it may end up by destroying itself. That is the stark choice before the entire bank community," says their confidential report, submitted earlier this month to Mr Babacar Ndiaye, the bank's Senegalese president.

The "task force on project quality," chaired by Mr David Knox, a former World Bank vice-president, began its study on Africa's *premier lending institution last August.* The report blames both African governments and the 25 non-regional countries led by rich western powers who own 36 per cent of the bank.

The report says the bank is "pulled in all directions by conflicting goals and attitudes of its shareholders" who are divided about its role and policies. It criticises the way many of the bank's hundreds of projects are identified, prepared and appraised. High*lighting an atmosphere of distrust and* uncertainty that pervades and weakens the bank, it calls for a rethink of the relationship between the president and the boards of governors and directors.

■ The Addis Ababa-based Economic Commission for Africa said yesterday it would appeal to rich nations for $869bn (£577bn) to bring about sustained economic recovery in the next decade.

Clash with EU looms on US bank bill

By George Graham in Washington

The US and the European Union could be heading for a clash over the reluctance of Congress to lift restrictions on the opening of new branches by foreign banks.

Both chambers of Congress have passed bills that would loosen restrictions on interstate branching by US banks, which currently must set up a new subsidiary in each state they want to do business in. Foreign banks which have a separately incorporated subsidiary in the US – such as Barclays Bank of the UK – would, in both versions of the bill, have the same freedom to open new branches. However, the Senate version, which must be reconciled with the House version before the measure can become law, would still prevent foreign banks which operate in the US through a branch – for example, Lloyds of the UK – opening new branches.

Mr John Mogg, director general of the European Commission's financial services division, has written to Senator Donald Riegle, chairman of the Senate banking committee, to complain that "our banks would continue to face restrictions on their activities throughout the US in ways that US banks would not", and that the Senate version of the bill would therefore not provide full national treatment.

Mr Frank Newman, under-secretary of the US Treasury, has also written to Mr Riegle, arguing that the US "has repeatedly objected to similar requirements imposed by foreign countries on US banks that operate abroad".

Leading senators remain adamant, however, insisting that foreign banks operating as direct branches otherwise enjoy a competitive advantage over US banks because they can escape US laws on consumer protection, community reinvestment and fair lending.

"Nothing in the Senate bill prohibits a foreign bank from establishing a subsidiary as a US chartered bank, which then has available all of the same rights and privileges of interstate banking and branching this legislation provides to US banks," said Senator Wendell Ford of Kentucky. "But to obtain these privileges, they must pay the same price as US banks – compliance with all relevant laws which apply to chartered institutions."

Bankers' associations from 17 states have backed the Senate provisions.

Lula wins hearts, minds - not the media

Brazil's presidential frontrunner evokes a mixed response, writes Angus Foster

Mr Luis Inácio Lula da Silva, leader of Brazil's left-wing Workers' Party (PT) and frontrunner for president in October's elections, visited the sleepy coastal town of São Luis earlier this month hoping to grab headlines with his plans for agricultural reform and improved social welfare.

Instead, the Estado de Maranhão, a conservative local newspaper, printed a storming editorial against the PT's liberal attitude to homosexuality and its calls for easier access to abortions, a sometimes sensitive but never national issue.

It was a strange choice of topic in a country with one of the world's most unequal income distributions and as many as 30m people suffering real hardship and hunger.

But the incident highlighted Mr da Silva's election problems. He faces a largely hostile media, mainly controlled by the right and business interests. Although Mr da Silva is a moderate, the media and his opponents are playing on the public's perception that his party is filled with radicals who threaten to shatter Brazil's consensual politics by introducing controversial change.

Mr da Silva, usually known as Lula, is leading his nearest rival, former finance minister Mr Fernando Henrique Cardoso, by 35 points to 20 in most polls. A former metalworker and unionist, Mr da Silva helped found the PT as Brazil emerged from the harshest period of military dictatorship at the end of the 1970s. An amiable man with a liking for Cuban cigars, his biggest political assets are his rousing oratory and bridging role between the different wings of the PT.

Mr da Silva flashes a victory sign for photographers while voting in the last election in 1989 Reuter

"Lula has the ability to talk, and when he talks people listen," according to Senator Eduardo Suplicy, the only PT representative in the upper house.

Mr da Silva has been busy talking recently, and appears to be winning an ongoing argument within the party to present an electorally acceptable rather than ideologically correct manifesto. Recently, he and other moderates defeated calls for an incoming PT government to declare an immediate moratorium on the country's foreign debt.

The PT's draft manifesto, still subject to further discussion, is remarkably thorough and details the party's proposed policy on subjects ranging from agricultural subsidies to road deaths. It is an unusual document in Brazil, where politicians usually offer little except vague but tempting promises.

The document is also full of good ideas to reform the bankrupt state, reduce corruption and tackle poverty. It includes policies which might normally be associated with the right, for example government decentralisation and reduced resources for the state.

There are also sections which will be less appealing to business interests and foreign investors. The document calls for a freeze on the country's privatisation plan and the introduction of potentially expensive minimum wage laws. However, private investment in key sectors such as telecommunications will be allowed, so long as the state retains overall control.

Mr Alofzio Mercadente, a close adviser to Mr da Silva and a possible finance minister in a PT government, says the party would concentrate on four areas in its first mandate: reducing hunger, improving education, starting rural reform and creating jobs.

"This is not an ambitious programme, but it is incredible that a society like ours can end the century talking about basic problems like hunger," he says.

The PT's policies are regularly criticised by its opponents as too expensive for a developing country like Brazil. There are doubts that PT pledges to more than double education spending to 10 per cent of GDP will be feasible, even over the medium term. Mr Mercadente says precise spending and budget projections will not be ready until later this year.

But he says the programme will be bankable, and will be paid for by better public spending and - in another policy idea reminiscent of the right - fewer taxes but better tax collection.

Mr da Silva is especially vulnerable to charges that the PT lacks experience in government. But the PT is increasingly gaining local government experience and making impressive changes.

In Diadema, an industrial suburb of São Paulo under PT control since 1982, infant mortality has fallen from 92 to 20 per 1,000 due to healthcare improvements. The number of health workers has increased from 300 to 1,800. Violence is decreasing and there are now less than five murders a week compared to five a day 10 years ago.

In the lobster fishing village of Icapuí in Ceará state, eight years of PT rule have cut illiteracy by more than half. Money which used to disappear in expensive public works and corruption is now being used to improve services such as a 100 per cent vaccination programme for some diseases.

However, there have been setbacks, including disappointing PT governments in São Paulo and Fortaleza, while Icapuí and Diadema still face serious problems. And, even if Mr da Silva wins, the PT is a small party which will have difficulty governing effectively without alliances in Congress. In Brazil, alliances often spell compromise and inaction.

US spy sentenced to life in prison

Former CIA officer Mr Aldrich Ames and his wife Rosario pleaded guilty yesterday to spying for Moscow in one of the most damaging espionage cases in US history, Reuter reports from Alexandria, Virginia. He was sentenced to life in prison.

Under a plea-bargain agreement, Mr Ames, 52, accepted the life term without chance of parole and promised to co-operate fully with investigators in return for lenient treatment for his wife.

Mr Ames, who served as head of a Soviet counter-intelligence desk in the 1980s, revealed that he had given the KGB Soviet intelligence agency the names of every Soviet citizen he knew who was working for the US as a spy.

He admitted he was paid about $2.5m for his espionage work.

US District Court Judge Claude Hilton delayed sentencing Mrs Ames, 42, until August 26 while prosecutors assess the extent of her husband's co-operation. The government and Mrs Ames's lawyer agreed to recommend that she be sentenced to serve five to six years without parole, the Justice Department said.

After the hearing the couple, shackled in chains, were escorted back to prison from the federal courthouse in Alexandria, a suburb across the Potomac river from Washington where the hearing took place.

In an eight-page statement he read to the court, Mr Ames said: "I bitterly regret the catastrophe which my betrayal of trust has brought upon my wife and son and any who have loved and cared for me. No punishment by this court can balance or ease the profound shame and guilt I bear."

He expressed sympathy for "those persons in the former Soviet Union or elsewhere who may have suffered."

US government officials believe at least 10 citizens of the former Soviet Union and allied communist states were executed as a result of Mr Ames's betrayal.

Venezuela plans shares-for-jobs swap

By Joseph Mann in Caracas

Venezuela's government has proposed cutting its bloated state payroll by giving shares in state-owned companies to government employees who leave their jobs voluntarily or are made redundant.

Under the plan, the government would pay for employees' severance benefits with shares in PDVSA, the national oil company, and the CVG heavy industry group, which includes steel, aluminium, iron ore and hydroelectric power interests.

Mr Asdrubal Baptista, state minister for reform of the economy, in a speech on Wednesday night, also reaffirmed the Caldera administration's intention of "opening up new spaces for private investment," especially in the petroleum sector and in CVG. Mr Baptista touched on a previously taboo topic, saying domestic prices for petrol and other refined oil products must rise.

Under Venezuelan law, both the government and private companies are obliged to set aside financial reserves for employees' severance benefits.

In the government's case, revenues will never be sufficient to cover these reserves, so far thwarting plans to make big reductions in Venezuela's 1.1m government workers.

Private businessmen said the plan to offer shares as a severance benefit could resolve a sizeable government problem, but would also reward employees who are generally considered less efficient than private sector workers.

Mr Luis Giusti, president of PDVSA, said the plan was "a surprise" to him but agreed it "pointed the country in the right direction". PDVSA, one of the world's largest oil companies, has assets exceeding $33bn (£22.6bn) and reported consolidated sales of $21bn last year.

● Bankers in Caracas said the central bank began to apply unofficial restraints on its sales of US dollars to financial institutions on Wednesday. They asserted the bank was questioning potential buyers about the reasons for their purchases of dollars.

The Venezuelan government is concerned about heavy purchases of dollars by private companies and individuals in the wake of the resignation on Tuesday of Mrs Ruth de Krivoy, the central bank president.

The central bank denied any restrictions were being applied to dollar sales.

Teamsters closer to deal to end strike

Management and union representatives edged closer to agreement yesterday on a deal that could end a three-week strike at the US's largest road haulage companies, writes George Graham in Washington. Officials of the Teamsters union said the main issues had been resolved in talks hosted by federal government mediators, with the union accepting some of the trucking companies' demands for more part-time workers and greater use of rail transport in exchange for increases in pay and benefits.

Trucking Management, a consortium representing the haulage companies, said no agreement had yet been finalised, and Teamster officials acknowledged that substantial differences remained between the two sides.

The strike, the first national stoppage called by the once-powerful Teamsters for 15 years, had pulled 75,000 drivers and terminal workers out at 22 trucking companies.

هكذا من الاصل

Everybody knows that a saloon is more practical than a coupé.

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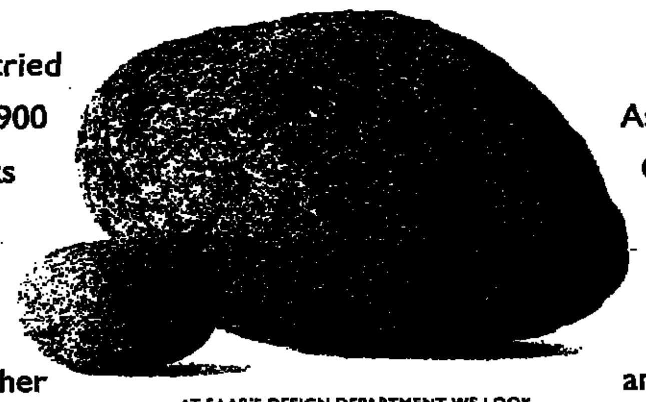

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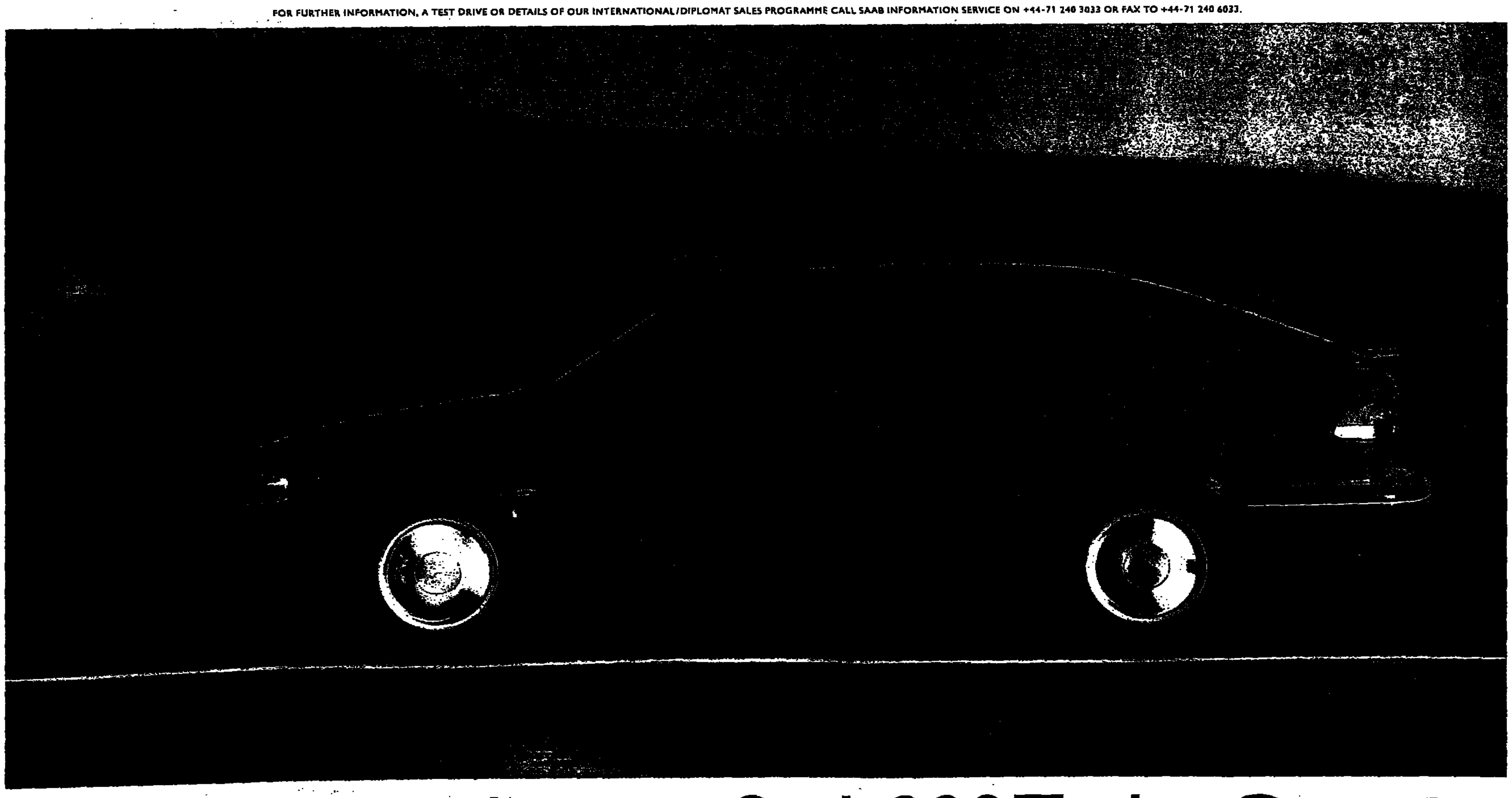

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Ciba faces Glaxo suit over patent

By Daniel Green

Glaxo moved closer to a courtroom clash with one of its biggest rivals, Swiss drugs company Ciba, by filing lawsuits yesterday against a Ciba subsidiary in the US alleging patent infringement.

Also named in the suit is a Spanish subsidiary of Huddersfield company Holliday Chemical Holdings, called Union Quimico Farmaceutica, and a US chemicals distributor Interchem Trading.

At stake are the fortunes of the the world's biggest drug, ulcer treatment Zantac. It has annual sales of \$3.5bn a year of which \$2bn is in the US alone.

Last month, Ciba said that it had found a way around the patents protecting Zantac that would allow it to launch a cut-price generic (unbranded) version in the US by 1996.

Unlike previous challenges to Zantac's patents, Ciba wants to manufacture a version of the drug which has never been commercialised and whose US patent expires at the end of 1995. In the past, Glaxo has not tried to defend this "Form 1" patent, concentrating successfully on the patents covering Zantac, which is made from "Form 2", which run until 2002 and 2004. Forms 1 and 2 are chemically identical but exist in different crystalline forms.

One of the effects of the legal action is to postpone the regulatory approval of the Ciba drug by 30 months. That period can be changed by a judge, but if it stands would have the effect of extending patent protection of Form 1 until October 1996.

Glaxo said: "We believe that the patent rights on Form 2 have been and will be infringed. This is based on evidence given to us voluntarily and in confidence by [Ciba's generics subsidiary] Geneva."

Ciba insisted yesterday that is remained confident that its method for making Form 1 did not involve Form 2 in any way.

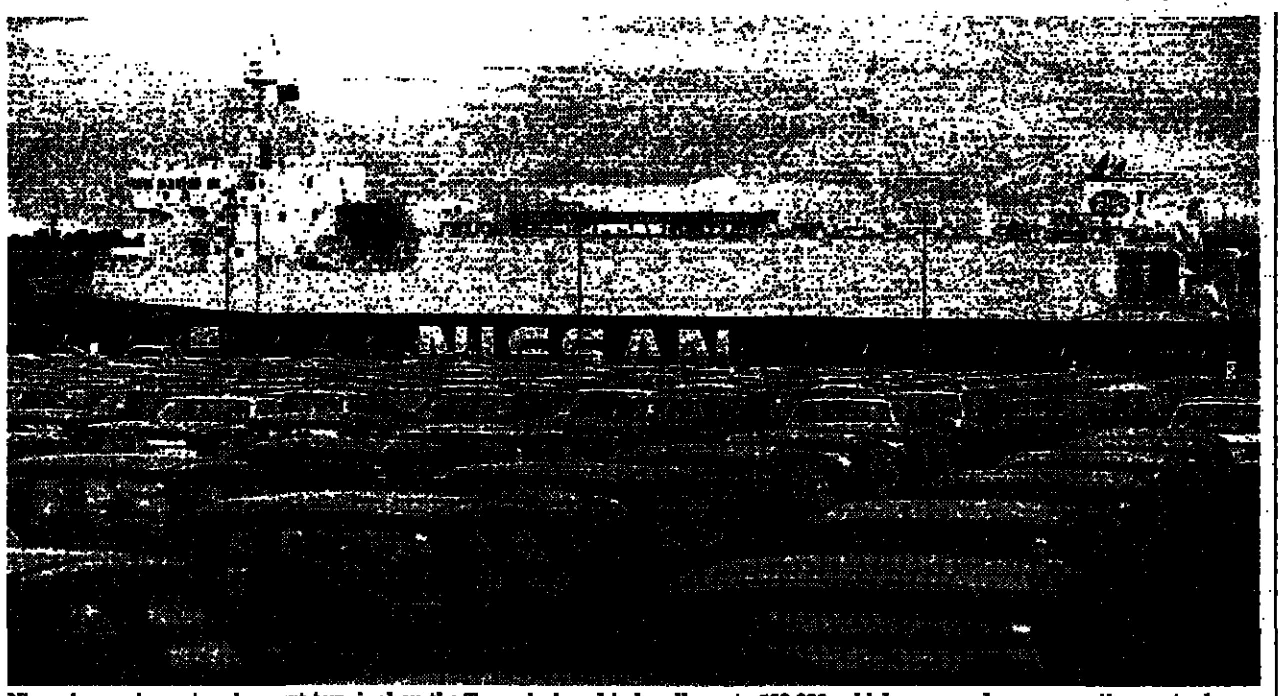
"We don't feel the law suit has any merit," said Ciba.

Colorado-based Geneva and its co-defendants now have a further 30 days to lodge a reply to Glaxo's action in the US district court in New Jersey.

Mr Robin Gilbert, a drugs sector analyst with stock broker Panmure Gordon, said the involvement of a non-Ciba subsidiary as the manufacturer, Union Quimico Farmaceutica, might have weakened Ciba's position.

Union Quimico Farmaceutica specialises in making the active ingredients in drugs for different drugs companies, said Holliday Chemicals, adding that a further statement was likely today.

Zantac accounts for more than 40 per cent of Glaxo's sales. It has new drugs whose sales are growing but a rapid fall in Zantac sales would probably lead to lower profits in two years' time. The company's shares have performed poorly since Ciba announced that it planned to make a Form 1 version of Zantac, but rose 5p yesterday to 569p.



Nissan's new import and export terminal on the Tyne, designed to handle up to 300,000 vehicles a year, began operating yesterday

Tory truce over Europe broken

By Kevin Brown, Political Correspondent

Conservative efforts to forge a truce on Europe until after the European elections have broken down in the face of growing rank-and-file scepticism about the government's ability to roll back the tide of federalism.

Right-wing MPs on the government backbenches say that a recent plea by Mr Douglas Hurd, foreign secretary, for the party to end its "lunatic" argument on the European Union has been fatally undermined by a Euro-sceptic surge among constituency activists.

Some say that the shift of opinion was triggered by the prime minister's "Grand Old Duke of York" retreat on the Union's system of qualified majority voting, after he had threatened to fight. Others say that Conservative activists are becoming increasingly concerned about the growing powers delegated to the European parliament.

There is also concern about reports that France and Germany are backing Mr Jean-Luc Dehaene, the federalist Belgian prime minister, to replace Mr Jacques Delors as president of the European Commission.

Tory leaders had hoped that the party's divisions could be contained on the basis of an article in the Economist magazine published last autumn, in which Mr John Major, the prime minister, promised to build a free market Europe of nation states.

The article provided the basis for an as yet unpublished compromise manifesto for the elections, drawn up by Mr Hurd, which is intended to bridge the gap between the Euro-sceptics and the party's pro-European mainstream.

However, right-wingers say the party's centre of gravity is shifting so fast that the carefully-crafted compromise could be sustained only by a Tory elections triumph.

Heavy government losses, regarded as highly likely, would trigger strong pressure on the prime minister to adopt a more aggressively Euro-sceptic stance or face a serious split, they say.

"The morale of the party faithful will be at rock bottom, and our only hope at the next election will be to offer a distinctive position on Europe. So many MPs are going to be saying this that the prime minister will have to respond," said a leading Euro-sceptic.

The growing confidence of the Euro-sceptics also appeared to lie behind reports, dismissed as "nonsense" by Downing Street, that the prime minister was considering a referendum on continued British membership of the EU.

The reality, one right-winger said, was that the government was considering using the threat of a referendum as a negotiating ploy to head off further progress towards a federal Europe at the 1996 intergovernmental review.

Such a ploy would be welcomed by the right, because the other 11 member states were highly unlikely to bow to British doubts, they said. That would force the prime minister to call a referendum which would give voters their first chance to choose between federalism and withdrawal.

Mandarins may have to move

By Philip Stephens, Political Editor

The Treasury's mandarins are threatened with eviction from the grand English Renaissance building which has been a symbol of their power for half a century.

They cannot afford to refurbish it. In their anxiety to impose financial austerity on the rest of government they are left with an agonising choice.

They can spend tens of millions of pounds of taxpayers' money to refurbish the run-down offices opposite the House of Commons. Or they can practise the thrift they preach by selling up to a big City institution or Japanese hotel developer and joining less exalted colleagues in a 1960s concrete monstrosity.

Britain in brief

Contractors urge French code for Tupe

ISS Cleaning Services, the world's largest cleaning company, yesterday signed a landmark agreement recognising the Unison public sector union.

The move signals a sharp shift in private contractors' attitude to Transfer of Undertakings (Protection of Employment) regulations, which, where they are held to apply, oblige companies which tender successfully for public sector contracts to take on the existing workforce's pay and conditions.

Contractors had previously opposed the regulations, but acceptance that Tupe applies is now written into ISS' deal with Unison.

Rival contractors are unlikely immediately to follow ISS by recognising Unison. However, the Clause 26 Group, which represents most of the largest contractors, including ISS, also decided yesterday to change its stance on Tupe. It told a meeting of Conservative MPs that it was prepared to accept that Tupe covered competitive tendering for local government and health service contracts.

However, Mr Cliff Davis-Coleman, director of Clause 26, said that the government could only gain savings from competitive tendering by adopting the radical model used in France. Contracts should be awarded to external companies, although they would continue to use the workforce. If existing managers wanted to maintain their role, then under the Clause 26 plan they would be forced to set up their own companies to bid for the contract.

Virani jury to stay out

The jury in the trial of Mr Nazmu Virani, the former property entrepreneur, failed to reach verdicts yesterday two days after being sent out. The jurors will resume their deliberations today. Mr Virani, who is accused of helping artificially boost the profits of the Bank of Credit and Commerce International, denies charges of theft, false accounting and furnishing false information.

Wind farms win support

A survey of people living near three wind farms in Wales has found that nearly three quarters would be prepared to see further development.

No fewer than 68 per cent of those interviewed said the wind farms had had little impact on their area - despite the turbines being visible for up to 15km.

The survey, commissioned by the Countryside Council for Wales, included the National Wind Power site at Llandinam in Powys, which with 103 turbines is the largest wind farm in the principality.

The surprisingly positive attitudes to wind farms comes at a time when planning objections, because of their noise and visual intrusion, have been increasing. A total of 457 people were interviewed for the survey.

Pre-retirement boost criticised

Executives who boost their salaries sharply just before retirement in order to qualify for a larger pension should not be allowed to do so, said Mr Tom Ross, partner at consulting actuaries Clay and Partners and vice chairman of the National Association of Pension Funds.

Speaking at the NAPF's annual conference in Brighton, Mr Ross said "I don't like the fact that senior people have their salaries booted up sharply just before retirement."

Pollution monitored

Levels of sulphur dioxide - one of the causes of acid rain - were "poor" at more than threequarters of the monitoring sites in the UK in 1992, according to a digest of environmental statistics published by the government.

However, nearly 90 per cent of rivers and canals in England and Wales were of "good" or "fair" quality in 1990. In Scotland, 99 per cent of rivers and canals were "unpolluted" or of "fairly good" quality.

The digest also said that UK emissions of carbon dioxide in 1992 per unit of gross domestic product were 20 per cent lower than in 1982.

More adverts back top brands

Advertising spending on the top 100 brands rose by nearly 10 per cent last year to just over £1bn, with Tesco, the retail chain, heading the list of highest-spending advertisers, according to an annual survey of top brands.

Tesco spent £27.4m on advertising, just beating McDonald's, the hamburger chain, which increased its spending 43 per cent on 1992, to £27.3m. The fastest-growing brand in 1993 was Alliance and Leicester Mortgages, which increased its spend over sevenfold to more than £4m, found the survey, published yesterday by Campaign, the advertising trade magazine.

هكذا من الاصل

NEWS: UK

Lloyd's moves to allay fears over US plan

By Richard Lapper

Lloyd's of London yesterday moved to calm fears that the insurance market may not have enough capital to set up NewCo, a new reinsurance company into which most of its US asbestosis and pollution liabilities would be transferred.

Ms Heidi Hutter, director of the NewCo project, said she did not "want to play down the complexities of the capitalisation issue" but "this should not be a major source of concern for Names".

Ms Hutter was speaking at a conference of about 300 Names, the individuals whose assets support the Lloyd's market, organised by the Association of Lloyd's Members.

Lloyd's announced that it aimed to transfer assets and liabilities on policies underwritten before 1986 into NewCo last year.

Earlier this week an independent report claimed Lloyd's ability to obtain capital for the new venture by discounting its reserves – taking into account the value of future investment income – was limited due to the use by Lloyd's syndicates of so-called "time and distance" policies.

These are reinsurance policies similar to investment contracts designed to mature as claims on these policies emerge.

The report said that as much as £2.8bn of some £4bn held in reserve by Lloyd's was in the form of such policies.

Ms Hutter conceded that some of the reserves had already been discounted in this way, but said that she had become "impatient when I read suggestions that the purchase of the T&D policies has somehow left a hole in Lloyd's reserves."

"We know that the market holds significant reserves that have not been invested in time and distance policies and might therefore be discounted without compromising the security afforded to policy holders," she added.

In addition Lloyd's had other sources of capital available to it including the central guarantee fund, which pays claims when Names cannot meet their obligations, and outside investors.

NewCo expects to reach a preliminary assessement of the market's assets and reserves in relation to pre-1986 assets and liabilities later this year.

Lloyd's aims to obtain approval for the new company from the department of trade and industry next year, in time for the company to begin operation in December 1995.

Directors attack on Brussels ahead of poll

By Jenny Luesby

The Institute of Directors yesterday launched a "business leaders manifesto" for the European elections calling for a wholesale reform of the European Union's political structure.

The IoD argues that the structure of the EU has led to a proliferation of regulations, which have held back European businesses.

The European Commission is responsible for initiating EU legislation, but is both undemocratic and unaccountable, the IoD says, in that it is a bureaucracy rather than an elected body. As a result, it has "every incentive to become an activist lawmaker", without needing to consider the costs to Europeans of that legislation.

Meanwhile, the Council of Ministers, which has the ultimate say on what should become law, has little control over policy direction, and "no collective responsibility for its actions".

Windmill theatre prepared to entertain new turn

By Jim Kelly

London's Windmill Theatre, remembered for its wartime boast "We Never Closed", is to reopen this summer as a venue for live country and western music after a £500,000 redevelopment.

The intimate theatre in Soho, which once showed motionless tableaux of semi-nude Windmill Girls in deference to the law of the day, is being gutted to hold 400 people with room to dance.

A 25-year leasehold for the Windmill has been bought from Mr Paul Raymond by Mr Oscar Owide, who is to open the building in July as Big Country. It will be billed as the UK's first permanent live music venue totally devoted to country and western music.

"This will be a modern blues and country venue and I'm sure we've got it right – this music is a very popular commodity today," said Mr Owide.

"New Country" music, with stars such as Garth Brooks who recently filled the Wembley Arena, blends traditional country and western with more mainstream rock and roll. It is already a big success in the US and Ireland.

"It has not really pushed over here yet," said Mr Ross Fortune of Time Out magazine. "But they are pushing very hard. It's a different culture but it's definitely a musical style on the up.

"Now it is attracting people from the middle-of-the-road mainstream – people who would go and see Bryan Adams or Paul McCartney."

For the Windmill, New Country has arrived just in time. The theatre started life as a small cinema, the Palais de Luxe, built in 1910 on the site of an 18th century windmill. It was converted into a theatre in 1931 and held an audience of 326 on two levels.

Under its enterprising manager Mr Vivian Van Damm, and later his daughter Sheila, the Windmill achieved success by adopting a French innovation of non-stop variety which ran every day from 2.30pm to 11.00pm.

"Revuedeville", as it was called, lasted until 1964, during which time the theatre launched the careers of a number of comedians, including Sir Harry Secombe, "Professor" Jimmy Edwards and Tony Hancock.

It was the only London theatre to remain open throughout hostilities during the second world war, including the Blitz, except for compulsory closure for 12 days in September 1939.

More recently the building has been a cinema, theatre, restaurant and television studio.

Revuedeville, seen here in 1932 after being copied from its Parisien original, ran until 1964

Shopworkers union finds 'sweatshop rates' more common

By Richard Donkin, Labour Staff

An increasing number of businesses are taking advantage of the abolition of the wages councils to pay sweatshop labour rates, according to research by Usdaw, the shopworkers' union. A survey of 27 job centres throughout the UK found wage rates for trainee hairdresses had dropped to about £1 an hour generally across the country.

One job for a trainee chef in Faversham, Kent, was paying £35 for a 39-hour week or 89p an hour. The 16 and 17 year olds at whom it was aimed were expected to work split shifts and weekends.

A Cardiff store was seeking "ambitious and motivated" shop assistants, with three GCSEs to earn £1.66 an hour for a 38-hour week.

Some of the poorest paid jobs were in the retail sector. An adult butchery assistant in Bury, Lancashire, was being offered £80 for a 40-hour week. Even jobs which expected high standards or people to work unsocial hours were offering wages at much less than the old wages council minimum rates. Two other features emerging from the survey were the absence of overtime rates in low paid sectors and the growth in jobs offering less than 16 hours work a week, preventing low paid workers claiming family credits and other benefits.

"Many bosses seem to be taking full advanatage of deregulation to force down hourly rates in some of the poorest paid sectors of employment," said Usdaw. The union said it feared that if cheaper rates became the norm they could force better-paying employers to cut their pay rates in order to compete.

The Usdaw survey was published as trade unions were putting more pressure on a future Labour government to bring in legal minimum wages.

Delegates to the Wales TUC annual conference in Llandudno were debating research by Unison, the public health union, which found that some private contractors were now paying ancillary hospital staff only £2 or £2.50 an hour, compared with the official £3.20 NHS rate.

Farmers seek to reap benefits of diversification

Alison Maitland discovers that British farmers are trying everything from ostrich rearing to ice cream production to boost income and preserve rural jobs

It is only 9.30am and Mrs Chris Welch has already baked 72 cakes. As a farmer's wife, rising early and working hard comes naturally. But when she set up the bakery business to save the farm from decline, it meant a 2am start each day.

"I go to bed at 8pm," she said. "The children come and say goodnight to me."

It was one of several sacrifices the Welch family made in building up the enterprise from a turnover of a few hundred pounds to a "six-figure sum" in five years.

Diversification by farmers into everything from ostriches to steam railways, bed-and-breakfast to corporate entertaining, has been growing steadily.

Mrs Gillian Shephard, the agriculture minister, yesterday urged more farmers to consider new businesses as a way of boosting their income and relieving rural unemployment. Launching four practical guides to farm-related businesses during a visit to Loseley Park Farm, the yoghurt and ice cream producers near Guildford, she said diversifying could ease some of the problems associated with fundamental change in the industry.

The agriculture ministry last year abolished the farm diversification grant scheme, under which £8m was paid out to 1,500 farmers. It took the view that the scheme had "put diversification on the map."

Mrs Welch and her husband Ian, who benefited from a £3,250 grant in 1991, decided to diversify when expansion of their arable farm in Hertfordshire, north of London, appeared doomed by the approaching clampdown on overproduction in the 1992 reform of the European Union's Common Agricultural Policy.

"Our business didn't look as though it was going any further," said Mr Welch. "We were looking for something which wasn't going to be governed by Common Market policy." In the event, the reforms have so far been a boon to most arable farmers and the Welchs are now farming more land under contract. But at the time there seemed an urgent need for a new outlet.

They knew from neighbours with farm shops that there was a market for home-produced cakes and pies "like Mum used to make," so they deliberately set out to retain the farming image. "To be successful you've got to be unique," said Mr Welch. "We don't try and compete with Mr Tesco or even Mr Kipling."

The Bury Farm Bakery outside Royston, a small market town to the north of the county, now produces over 1,500 home-made cakes and pies a week, employing eight part-time women. The customers are mainly farm shops within a 25-mile radius of the bakery. But just over a year ago the Welchs won a contract to supply Neal's Yard, the Covent Garden-based wholefood chain, and production soared.

The business has gradually taken over their lives. Mrs Welch's early baking in the farm kitchen meant the family had to eat in the living room. The first proper bakery was set up in a converted woodshed adjoining the house and the dog had to sleep in the porch when its kennel was turned into a packing room.

Now the packing of the produce takes place in what used to be the family's own garage and the bakery has moved into a 100 sq m stable block building that has just been refurbished at a total cost of £45,000.

There have been tough lessons along the way. "Our original idea was that we'd grow our own wheat, mill it, bake it and sell it," said Mr Welch. "That was pie in the sky." Their soil could not produce the high-quality grain they needed, so they had to buy it in. Only apples and rhubarb come from the farm itself, and sometimes they use tinned fruit for variety.

Mr Welch described his recipe for successful diversification as having a dedicated staff and good advisers, keeping overheads low – he began deliveries "out of the back of an estate car" – and insisting on cash on delivery.

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Lot 2. Ittre: parcel of land - crossing of the rue de Baudémont and rue de la Tournette
Total area for lots 1 & 2 as per property titel 120 Ha 21 a 56 ca

Lot 3. set of Equipements immovable by destination and assigned to the maintenance and the running of the Golf (list to be obtained at the Notaires' offices)
Urban planning: * Club-house, outbuildings, pont and part of the golf courses: Park zone - * Remainder of the Golf Courses: Agriculture zone - * Woods: Forest zone - Pasture: Agriculture zone with valable landscape - * Parcel of land: Agriculture zone.
Occupation: Inquiries at the Notaire's offices.

Bank guaranty of 30,000,000 BEF to be produced at the auction.

For visits: by appointement only - Service Immobilier Notarial - 32/2/502.43.73
Public auction: Monday 9th may 1994 at 5 p.m.
Motel-Sud de Nivelles - Chaussée de Mons, 22 - Nivelles - (Hihgway Brussels-Paris - Exit: Nivelles-Sud)

For information, Notaire Jean-Paul MIGNON
Phone: 32/67/64.84.19 - Fax: 32/67/64.81.26
Notaire James DUPONT
Phone: 32/2/513.89.55 - Fax: 32/2/513.97.18

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CONTRACTS & TENDERS

TENDER PACK

Business Link

North Derbyshire TEC in association with partners wishes to secure development funding for a Business Link for North Derbyshire at the Business Link assessment panel in November 1994. The Business Link is likely to be based on a 'hub and spoke' arrangement.

To facilitate this process the partnership wishes to secure the services of an organisation to:

a conduct appropriate research to support the proposal
b manage the process of the proposal submission
c work in conjunction with the partners to develop the Business Link Strategy
d complete the proposal documentation in line with the Business Link Prospectus

Timetable

You will be required to submit a proposal for the work that covers all items detailed in the tender by 13th May 1994.

The partnership will sift all proposals against criteria for selection.

A short list of candidates will be expected to present their proposals to a panel of partners.

The presentation will be on 20th May 1994.

The successful organisation will be informed on 31.5.94 when contract negotiations will be finalised.

Please apply for a tender pack to:
Karen Watkin,
Marketing and Information Manager,
North Derbyshire TEC,
St. Mary's Court, St. Mary's Gate,
Chesterfield S41 7TD.

NORTH DERBYSHIRE TEC TRAINING & ENTERPRISE COUNCIL
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BUSINESSES FOR SALE

State Holding Company

INVITATION FOR TENDER

The State Holding Company (hereinafter as Caller or SHC) announces with the assistance of Daiwa-MKB (Hungary) Investment and Securities Co. Ltd. (hereinafter as Adviser) a one-round public tender for the purchase of HUF 453.570.000 nominal value state-owned shares of **Zsolnay Porcelain Factory Co. Ltd.** representing 84,285 % of the share capital.

We inform the potential investors, that the share capital of Zsolnay Porcelain Factory Co. Ltd. is HUF 550.000.000, its reserved capital is HUF 236.039.000. Bids can be submitted both for the whole or the part of the offered HUF 453.570.000 nominal value stake.

One HUF 10.000 nominal value preferred share with the connecting preferencial rights (Golden share) remains in the ownership of the State Holding Company.

10 % of total share capital is offered exclusively for compensation coupons, the remaining part can be bidded for cash, compensation coupons and E-credit.

Hungarian and foreign legal entities and private persons, companies without legal entity. ESOP organizing committee and private enterpreneurs, as well as consortiums of the above-mentioned are entitled to participate in the bid. The members of a bidding consortium have joint responsibility in the bidding and contracting procedure.

Time period available for submitting of the bids:

June 15, 1994, from 9.00 a.m. to 12.00

Place of submitting of the bids:

Daiwa-MKB (Hungary) Investment and Securities Co. Ltd.
East-West Business Centre
1088 Budapest
Rákóczi út 1-3. III/38.

The bidder should undertake that the duration of validity of the bid may not be less than 90 (ninety) days.

After evaluating the bids the final decision will be made by the SHC. The SHC reserves the right to declare the tender as unsuccessful.

The Caller will evaluate the bids and decide about the result of the tender latest within 30 days following the opening of the tender. The Caller is entitled to lenghten this period with maximum 30 days on the occasion.

All the expenses related to the tender are charged to the bidder's account apart from the result of the tender.

Bidders may participate in the tender on the condition that they buy the detailed Information Material including the Conditions of the Tender for HUF 30.000 and V.A.T. at the headquarters of the Adviser signing a Confidentiality Agreement.

Based on preliminarily made arrangement, visit and more information are available at Mr. István Otterbein, the Managing Director of the Company.

Preliminary arrangements: Tel.: +36-72-313-643
Fax: +36-72-313-643

Simultaneously with the recent announcement, more information are available about the Company's main figures and characteristics at Mr. Ferenc Farkas (Daiwa-MKB (Hungary) Investments and Securities Co. Ltd., 1-3 Rákóczi Str., H-1088 Budapest, tel.: +36-1-2660-361) and at the Managing Director of the Company.

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407-682-9600

CONTRACTS & TENDERS

HOTEL RFQ

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The selection of the successful development and operation team will be determined through a two-step process consisting of a Request for Qualification (RFQ) and a Request for Proposals (RFP), which will occur at a later date. Interested parties may receive copies of the RFQ and the necessary forms for proceeding by contacting:

Mr Alfredo Gomez, Purchasing Agent,
Metropolitan Pier and Expositions Authority,
2301 South Lakes Shore Drive,
Chicago, Illinois 60616

BANK OF ATHENS S.A.

INVITATION FOR EXPRESSIONS OF INTEREST IN PURCHASING THE ASSETS (CLAIMS) OF ATHENS PIPE WORKS S.A.

The Bank of Athens S.A., in its capacity as liquidator of Athens Pipeworks S.A. in accordance with the provisions of Article 46a of Law 1892/90 invites interested parties to submit in writing, within a period of 20 days, a *non-binding* expression of interest in purchasing the Company's assets (claims).

It is to be pointed out that the assets of Athens Pipeworks S.A. (land, buildings, mechanical equipment, vehicles, etc.) in their entirety, were assigned to Hephaestus S.A. by virtue of a previous auction and that this invitation concerns only the Company's claims as currently shown in the Company's books.

Interested parties should *submit* their *non binding* expression of interest within 20 days to the Company's head office at 260 Pireos Street, Athens to the attention of the Liquidator's representative, Mr Nicholas Tsiokas, Tel. +30-1-4820 828 and +30-1-4811 375.

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COMPANY NOTICE

Canadian Pacific Limited
(Incorporated in Canada)
ONTARIO & QUEBEC RAILWAY COMPANY
5 PER CENT DEBENTURE STOCK
6 PER CENT COMMON STOCK

In preparation for the payment of the half-yearly interest payable on June 1 next, the debenture stock transfer books will be closed at 3.30 p.m. on May 3 and will be re-opened on June 2.
The half-yearly interested on the common stock will be paid on June 1 to holders of record on May 1.

D.R. Keast
Deputy Secretary
62-65 Trafalgar Square, London, WC2N 5DY
April 20 1994

LEGAL NOTICES

NOTICE TO CREDITORS TO SUBMIT CLAIMS
IN THE MATTER OF MERCADIAN SECURITIES (HOLDINGS) UK LIMITED
AND
IN THE MATTER OF
THE INSOLVENCY ACT 1986

NOTICE IS HEREBY GIVEN that the Creditors of the above-named Company which is being voluntarily wound up, are required, on or before the 9th day of May 1994, to send in their full forenames and surnames, their addresses and descriptions, full particulars of their debts or claims and the names and addresses of their Solicitors (if any), to the undersigned, T R Harris and N J Vooght of Coopers & Lybrand, 20 St Andrew's House, St Andrew St, London EC4 3AY *the Joint Liquidators of the said Company*, and, if so required by notice in writing from the said Liquidators, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.
Dated this 18th day of April 1994
Signature of Liquidators
T R HARRIS, N J VOOGHT

BUSINESSES FOR SALE

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For further information or to advertise in this section please contact

Karl Loynton on 071 873 4780 or Melanie Miles on 071 873 3308

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

LEGAL NOTICES

Advertisement of creditors' meeting pursuant to Section 48(2) Insolvency Act 1986
Company No: 2120468, 1005711, 2120443
Registered in England and Wales
S W BLIGH ELECTRICAL LIMITED
BLIGH HOLDINGS LIMITED
S W BLIGH ELECTRICAL ENGINEERING LIMITED

Notice is hereby given pursuant to Section 48(2) *Insolvency Act 1986*, that a meeting of the unsecured creditors of the above-named companies will be held at he offices of: Coopers & Lybrand, Orchard House, 10 *Albion Place, Maidstone, Kent, ME14 5XG* on 10 May 1994 at 10.30am. Creditors whose claims are wholly secured are not entitled to attend or to be represented at the meeting. Other creditors are only entitled to vote if: (a) They have delivered to us at the address below by no later than noon on 9 May 1994, written details of the debts they claim to be due to them from the companies and the claim has been duly admitted under the provisions of Rule 3.11 Insolvency Rules 1986; and (b) There has been lodged with us any proxy which the creditor intends to be used on his or her behalf. Please note that the original proxy signed by or on behalf of the creditors must be lodged at the address mentioned; photocopies are not acceptable.
Signed: E M Shires
Joint Administrative Receiver
Coopers & Lybrand, PO Box 262
Orchard House, 10 Albion Place
Maidstone, Kent ME14 5XG
Dated: 26 April 1994

No. 002316 of 1994
IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
IN THE MATTER OF EMBASSY PROPERTY GROUP PLC
AND
IN THE MATTER OF
THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that a Petition was on 13th April 1994 presented to Her Majesty's High Court of Justice for confirmation of:
(i) the reduction of capital of the above named Company; and
(ii) the reduction of the Share Premium Account of the above named Company by the sum of £7,255,685

AND NOTICE IS FURTHER GIVEN that the Petition is directed to be heard before the Registrar Buckley at the Royal Courts of Justice, Strand, London, WC2A 2LL on Wednesday 11th May 1994.

ANY CREDITOR OR SHAREHOLDER of the said Company desiring to oppose the making of an Order for confirmation of the reduction of share capital and of the reduction of the Share *Premium Account* should appear at the time of hearing in person or by counsel for that purpose.

A copy of the said Petition will be furnished to any such person requiring the same by the under mentioned solicitors on payment of the regulated charge for the same.
Dated the 22nd day of April 1994.
Gouldens
22 Tudor Street London EC4Y 0JJ
Solicitors for the above named Company

ROSEPREP LIMITED
Registered number: 1868296
Nature of business: Intermediate Holding Company
Trade classification: 9500
Date of appointment of administrative receivers: 22 April 1994
Name of person appointing administrative receivers: Standard Chartered Bank
N H COOPER and N RUDDOCK
Joint Administrative Receivers
(office holder nos. 005399/81 and 6877) of
186 City Road, London EC1V 2NU

IN THE MATTER OF
VIEWPOINT COMMUNICATIONS LIMITED
AND IN THE MATTER OF THE INSOLVENCY RULES 1986

In accordance with Rule 4.106 of the Insolvency Rules 1986 notice is hereby given that Nigel Ruddock and Nigel Douglas Bacon of Robson Rhodes, The Galleria, Station Road, Crawley, West Sussex RH10 1HY were appointed Joint liquidators of the above company by the Creditors on 13 April 1994.
Dated this 21st day of April 1994
NIGEL RUDDOCK and NIGEL BACON
Joint Liquidators

TO ADVERTISE YOUR LEGAL NOTICES
Please contact
Tina McGorman
on 071 873 4842
Fax: 071 873 3064

TECHNOLOGY

Clive Cookson examines the latest advances in multiple sclerosis treatment, in a continuing drug series

The lottery of life

Demand for the first drug proven to have an effect against multiple sclerosis, Betaseron, outstrips supply to such an extent that a lottery is used to decide which patients should receive it.

When Schering of Germany launched Betaseron last September in the US, the only country in which it is licensed for sale, doctors registered 80,000 MS patients who wanted the drug. The company's computer then picked 15,000 at random to begin treatment, at a cost of $9,500 (£6,500) a year each.

Schering's US subsidiary, Berlex, says 20,000 patients are now receiving injections of Betaseron – a form of beta-interferon – and a further 20,000 are preparing to start treatment. Chiron, the Californian biotechnology company which manufactures Betaseron for Berlex from genetically engineered bacteria, is increasing production rapidly; it forecasts that the US waiting list will have disappeared by 1995.

Schering hopes to submit a European licence application for Betaseron next month. European supplies will be manufactured by Germany's Boehringer Ingelheim.

Meanwhile two competing beta-interferons, developed by Ares-Serono of Switzerland and Biogen of the US, are moving through clinical trials in MS patients. Ian Broadhurst, a pharmaceutical analyst with BNP Capital Markets, predicts that Betaseron will not enjoy more than two years free from competition, though it could still bring Schering DM600m (£250m) in sales in 1995.

Besides the interferons, many other "new generation" MS drugs are at various stages of research and development. A BNP report last month listed 25 commercial R&D projects in progress around the world; the most advanced are shown in the table. Together they represent progress on a broad front against MS, the most common disease of the nervous system in young adults, which affects an estimated 2m people worldwide.

Multiple Sclerosis selected drugs in clinical trials

COMPANY	COUNTRY	LEAD COMPOUND	POSSIBLE LAUNCH
Anergen	US	MHC Peptide Complex	1999
Ares-Serono	Switzerland	beta interferon	1996
AutoImmune	US	AI-100 (bovine myelin)	1996
Biogen	US	beta interferon	1995
Cel-Sci	US	T-cell vaccine	1998
Celtrix	US	TGF-B2	1998
Hoechst	Germany	deoxyspergualin (DSG)	1995
Icos	US	23F2G MAb	1999
Immune Response	US	AI-208	1999
Schering	Germany	beta interferon	1993
Teva	Israel	Copolymer-1	1995

Source: BNP Group Equity Research

Effective MS treatments could give the pharmaceutical industry a huge new market. Potential US sales are $1.8bn a year, according to an estimate by Genetic Technology News, a biotechnology newsletter.

Although the precise molecular cause of MS is not yet known, scientists agree that it is an auto-immune disease in the same broad category as rheumatoid arthritis and diabetes. The body's immune system, which is intended to defend it against germs and other foreign invaders, turns against its own cells. The self-attack is probably triggered by a combination of genetic and environmental factors.

In MS, white blood cells (T-cells) destroy the protein sheath called myelin which protects nerve fibres. This stops the nerves working properly and the patient begins to lose control of muscles. Symptoms include partial paralysis, blurred vision and speech difficulties.

But the progress of MS is variable. In the worst cases of "chronic-progressive MS" the neurological problems become steadily more severe and eventually kill the patient. In "relapsing-remitting MS" the disease flares up at unpredictable intervals – and may even disappear spontaneously.

Neither beta-interferon nor the other experimental drugs can cure MS but, for the first time, they do promise a significant amelioration in the disease. Until now, doctors have only been able to offer patients "comfort therapy" such as pain-killers and anti-inflammatory drugs, which control some of the symptoms but have no effect on the underlying disease.

MS specialists such as George Ebers, a Canadian neurologist at the University Hospital, London, Ontario, are understandably cautious about claims for new treatments because "there have been so many false dawns – therapies which have been widely used but found on further study to be ineffective". For example, hyperbaric oxygen treatment (subjecting the patient to high pressure oxygen) became fashionable in the 1970s and was discredited in the 1980s.

Researchers also claimed success with drugs such as cyclophosphamide and cyclosporin, which suppress the patient's whole immune system, but these too turned out to be ineffective against MS when tested properly. The only acceptable clinical test is a double-blind, randomised, placebo-controlled trial: patients are divided at random into two groups, one of which receives the drug and the other an identical dummy, and neither patients nor investigators know until the end who is getting what.

Tested under those conditions on patients with relapsing-remitting MS, Betaseron reduced the number of attacks by one third and reduced significantly the amount of nerve damage shown by magnetic resonance imaging. But, as Ian McDonald of London University's Institute of Neurology points out, Betaseron has not yet been shown to have any effect on patients' long-term development of disability.

Interferons are natural proteins which perform a wide range of functions, including modulating the immune system. All three kinds – alpha, beta and gamma – have been tested on MS. Alpha had no effect, while gamma made the disease worse; scientists now believe natural gamma-interferon may play a role in the progression of MS.

It is not clear how beta-interferon brings about an improvement. According to Ares-Serono, it may both decrease the activity of the immune cells that destroy myelin and counteract the disease-enhancing effects of gamma-interferon.

The Ares-Serono and Biogen beta-interferons differ slightly from Betaseron. They are made by genetically engineered mammalian cells, rather than by bacteria cultures. As a result they have sugar chains on the protein surface, like natural human interferon but unlike the Schering product. In theory this could give them a clinical advantage – in terms of fewer side-effects and improved efficacy – but there is no evidence to show whether they work better in practice.

Most of the other MS treatments under development aim to disable the specific part of the immune system that is responsible for MS, without suppressing the other immune functions that are essential for fighting disease. Those most advanced in the development process include:

- Deoxyspergualin (DSG), a natural bacterial extract discovered by Nippon Kayaku in Japan and developed by Hoechst of Germany. It suppresses harmful T-cells and may also stimulate the regrowth of damaged myelin. If clinical trial results due next month are encouraging, Hoechst will apply for a marketing licence. Regulatory approval could follow quickly since DSG is not a genetically engineered product.
- Myloral, a formulation of bovine (cow) myelin, developed by AutoImmune, a Massachusetts biotechnology company. It is an "oral tolerance therapy". The patient is fed the protein so that the immune system comes to tolerate it and therefore is less inclined to attack his or her own myelin. After promising early results, Myloral is now in large-scale clinical trials.
- Copolymer-1 (Cop-1), a synthetic chemical resembling myelin protein, developed by Teva in Israel. When injected into the patient, this decoy attracts the immune cells away from the real myelin. It is in the final stage of clinical trials.

At earlier stages of development, the biotechnology industry is testing several experimental drugs, including antibodies and vaccines. These are aimed either at specific types of T-cell which the researchers believe are responsible for the immune attack in MS or at "antigens" in the myelin which provoke the attack.

However, there is vigorous debate between MS specialists about whether the fundamental defect lies in a very narrow sub-group of T-cells – in which case a specific drug could in theory cure the disease – or whether a wider range of immune cells are responsible. If so, MS will be harder to treat.

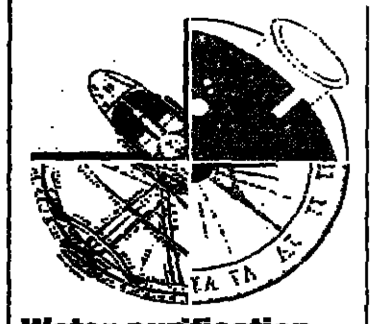
Ebers inclines to the latter view. Even so, he says, "the mood, among a sceptical audience, is now approaching optimism".

The series continues next month with a look at blood products.

■ Articles over the last six months have looked at pharmaceutical advances in the following areas:

Sepsis	31 March
Prostate	25 February
Wound healing	21 January
Obesity	23 December
Contraceptives	12 November
Anaesthetics	15 October

Worth Watching · Andrew Fisher



Water purification on the move

Clean water is scarce in many remote parts of developing countries. Meaubile Water Systems, a UK company, has developed a treatment system that can be put on a truck or left in one place.

The unit, incorporating a filtration and treatment system, can handle some 550 litres an hour, using chlorine dioxide to clean the water as it comes from the contaminated source. "Dams have been built, boreholes drilled and water tanks erected but if the water is tainted or contaminated, disease and death will follow," says John Wright, managing director.

Meaubile can also be used by breweries and food and drinks companies. Wright, seeking funds for production, has spoken to a Thai trading company about possible local manufacture.

Meaubile: UK, 0283 36715

Fighting toxins with funghi

A small UK company, Biotal, is using fungi to take toxic and other stubborn residues out of the soil. It makes a compost by mixing in woodchips; a white rot fungus is grown which produces enzymes to break down the organic compounds.

In Finland, it has treated soil containing chlorinated phenols which were quickly reduced to below 10ppm. The process worked in severe winter conditions and Biotal is researching treatment of soils with other compounds.

Biotal: UK, 0222 766716

Algae to tackle global warming

Algae grown on salt water ponds could provide an energy source that would help tackle global warming, *Anna Kochan writes.*

Scientists at the Hebrew University in Jerusalem have developed a technology for the thermal conversion of green micro-algae into oil in which there is no net addition of carbon dioxide into the atmosphere. Using an algae (dunaliella) which grows in saline environments, they plan to set up "energy farms" in lagoons, shallow bays, and other salty areas.

Profile Technology Ventures of Jerusalem will build a pilot facility and do an economic feasibility study at a cost of $6m over six years.

Profile: Israel, 9722 637022

Building a better mousetrap

For buildings infested with small rodents, a UK company has developed a high-tech mouse trap. Mouse Alert uses infra-red detectors and low-power radio signals to warn customers when a mouse has been caught.

Developed by Radio Data Systems for Rentokil, it comprises a number of trapping boxes placed around the building, and a wall-mounted control console. Instead of traps having to be checked regularly, the detectors on each trap transmit a signal to the console.

Mouse Alert can also be put in unstaffed areas such as automated distribution centres and storage and production sites.

Radio Data: UK, 081 542 2283

Ice-detectors save on de-icing

A new way of detecting ice on aircraft, developed by RVSI (Robotic Vision Systems), has generated interest at the US Federal Aviation Administration, which has awarded a $460,000 contract to fund further research.

The US company says its technology – called ID-1 and using electro-optical methods – can be adapted to ground-based and airborne detection systems. The compact, mobile sensor operates in the dark and in severe weather. As a visual system with a video display, the ID-1 can pinpoint the location of dangerous ice build-up.

RVSI says the device's precision also has environmental benefits, as over-use of potentially hazardous de-icing fluids can be reduced.

RVSI: US, 516 273 9700

PROPERTY

The empty quarter

James Harding on converting vacant offices into houses

Britain has nearly 900,000 vacant homes and some 35m sq ft of empty office space, enough to accommodate more than 1m people, equivalent to the population of Birmingham.

In an attempt to galvanise property developers into filling 'the empty space', Mr John Gummer, environment secretary, last week told a housing conference in London that "empty homes are wasted homes". The private sector, with more than 760,000 vacant houses, must be "the main engine of growth in tackling empty homes", he added.

At the conference, organised by the Empty Homes Agency, a housing charity, and the Association of District Councils, Mr Gummer said local authorities must make landlords more aware of the opportunities of short-term leases which, under the assured shorthold tenancy provision of the 1988 Housing Act, allow them "to regain possession of their property easily".

Beyond these exhortations, the government has been responding to growing criticism of the rising number of empty properties with pump-priming measures designed to assist landlords to fill long-standing vacant space. These include:

- The government's short-life housing programme;
- The Housing Corporation's approved development programme;
- housing association grants.

These schemes all provide funds for renovations on condition that the property will be leased to a housing association for a period of between two and 15 years.

In addition, for landlords reluctant to deal directly with private tenants, the government has established the Housing Association as Managing Agents scheme, which establishes an institutional middleman – a housing association – to manage the property.

The government initiative most widely praised by landlords, housing associations and tenants alike has been the 'Flats over Shops' scheme, in which the Department of Environment has invested £25m over three years to return an estimated 90,000 potential homes to use.

The West Country Housing Association, for instance, converted a Torquay property into four flats. Photofirst, the retail tenant, said that the repairs carried out by the housing association under the scheme saved it about £40,000. The property's value has risen by 10 per cent since completion.

However, even supporters of the 'Flats over Shops' scheme believe that, collectively, the DoE initiatives only scratch the surface. Mr Roland Buck of estate agents Chestertons said that the 'Flats over Shops' scheme should be extended beyond 1995 because as it stands "it is only nibbling at the edges". "Investors still shy away from conversions," he said.

In contrast, investor interest in commercial property is strong. In spite of the fact that the equivalent office space of 25 Canary Wharfs is currently standing empty, planning consents for a further 54m sq ft of new offices are already in the planning process.

A surplus of office space and rising demand for housing provides commercial property owners with a compelling reason for converting more offices to residential use. According to a Home Office report published last year, the average annual cost of maintaining a 20,000 sq ft office block is £15,000, with a further £70,000 for security and £200,000 on rates. Converting such a property to residential use would make financial sense, says the report.

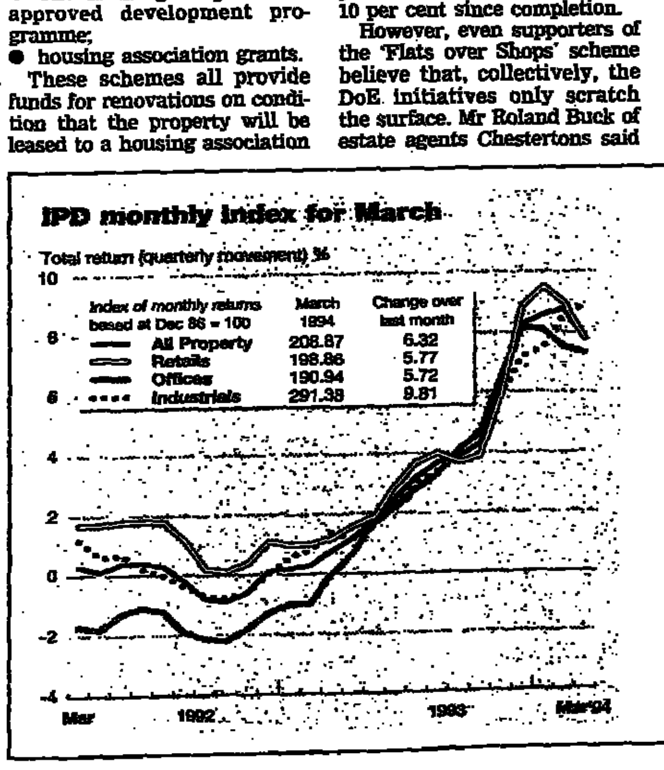
However, even for office blocks built more than 25 years ago in prime residential locations, the dual obstacles of local authority opposition and the high value added tax on conversions and residential lettings continue to deter developers.

Mr Malcolm Beckett, a director of MBE Homes, which specialises in conversions, believes that local authority decisions are based on an outdated view of viable commercial space. Mr Beckett, writing in *Planning in London* magazine, argues that changes in working practices – particularly the onset of computer-based offices – are leaving old-style offices permanently empty and that local authority decision-making on conversions should reflect this change.

The onerous 17.5 per cent VAT forces property developers to seek, often unrealistically, a high return to make their investment worthwhile. All too often, however, owners let their their property fall into disrepair ahead of a reconstruction on which they can reclaim VAT.

Mr Gummer is rightly proud of the 25 per cent fall in the number of empty local authority homes over the past seven years. To build on this success, he is placing the onus on private-sector initiatives.

But private-sector developers remain dependent on the public purse to initiate conversions. They are only likely to take up Mr Gummer's challenge if they believe that profits can be made free of subsidy. And that, say developers, will occur only when local authorities relax planning restrictions and the government eases the tax burden on conversions.



The IPD all-property return accelerated to 3.1 per cent in March, according to Investment Property Data, a research group. The improved performance was reflected across all sectors.

The retail sector improved in March with both total return and capital growth up by five points to 3 per cent and 2.4 per cent respectively.

Over the long term, the decline in rental values continues to slow, recording a fall of 1.9 per cent for the year to March.

Capital growth in the office sector was up by 0.8 percentage points in March to 2.4 per cent. This was reflected in a total return for the month of 3.1 per cent compared with 2.3 per cent for February.

Rental value decline has slowed and values have fallen by 1.8 per cent over the first quarter of this year. For the quarter to March offices showed a capital growth of 4.9 per cent and a total return of 7.3 per cent.

Total return for industrials rose to 3.5 per cent in March. This was led by an increase in capital growth from 2.3 per cent in February to 2.7 per cent in March. Capital growth for the first quarter of this year stood at 6.3 per cent, nearly 2 percentage points above the level for the quarter to December 1993.

Rental values fell by 1.5 per cent for the quarter to March, compared with a fall of 1.1 per cent for the corresponding period in 1993.

PEOPLE

L&G takes steps to comply

Last month, failures to meet standards set by Lautro, the life industry's regulator, cost Legal & General some £400,000 in a then-record fine and in costs; this month, the insurance group appointed Diana Miller to the new post of director (compliance).

Miller, 43, joined L&G in 1988, initially as group legal services manager. It was her close involvement with Lautro during the discussions on the compliance failures and the subsequent report she prepared for the board recommending the establishment of the new job that convinced L&G that she should take on the task.

While she reports primarily to the sales and marketing managing director, she also has a direct – if dotted – line to the board as a whole.

"It will give me the opportunity, if necessary, to talk to the non-executive directors," she says. "Also, the board was very unhappy that we should be disciplined, and this system will allow [the directors] to have confidence that I'm competent and they're happy with the compliance arrangements."

She plays down the need to undertake a morale-boosting exercise in the light of the Lautro criticism: "The publicity and everything clearly made everyone feel very unhappy, but the charges and disciplinary action were historic to some extent [they related to 1991-92], and we have moved very considerably since that time."

She is clear that compliance cannot simply be a question of a small department policing a salesforce, but emphasises that the monitoring of the systems and procedures which Lautro found unsatisfactory for checking that sales agents had complied have already been strengthened.

■ **Harry Lea**, formerly merchandising director of Littlewoods chain store division, has been appointed group customer services director at LONDON AND MANCHESTER GROUP.

■ **Newton Scott**, marketing and sales director, and **Bill Main** have been appointed to the board of SCOTTISH WIDOWS.

Jones lands on GKN's board

Alan Jones, the chairman of Westland who unsuccessfully defended the company against a hostile bid from GKN recently, has now accepted a place on GKN's board. Jones, who is widely credited with turning round the ailing helicopter-maker, will continue to run Westland's operations.

In contrast to its difficulties in the 1980s, Westland now has good order prospects, notably for British Army attack and RAF support helicopters.

At the start of the bid in February Sir David Lees, GKN's chairman, said he did not intend to make any management changes if he won control of Westland, and offered Jones a place on GKN's board.

As the bid became more contentious, however, the relationship between the two cooled noticeably. Any differences now seem to have been resolved.

Although Jones joined Westland as chief executive in 1989, he had only the briefest tenure as chairman. He took the chair when Sir Leslie Fletcher retired at the agm on February 17 this year and finally conceded defeat to GKN's bid on March 31.

Jones had been involved in bids before. In 1989 he resigned as head of Plessey's defence business to move to Westland at the height of the hostile bid from GEC and Siemens. His departure was seen as weakening Plessey's defences.

Non-executive directors

■ **Keith Mackrell**, retired director at Shell International, and **Sir Michael Perry**, chairman of Unilever, at BRITISH GAS.

■ **Roger Pawson**, former finance director of Provident Financial, at SANDERSON ELECTRONICS and at S. JEROME & SONS (HOLDINGS).

■ **Brian Ford**, ceo of Sims Food Group, at BEMROSE CORPORATION.

■ **Ritchie Harrison** has resigned from WORTH INVESTMENT TRUST.

■ **James Watson**, chairman of NFC, at NATIONAL EXPRESS GROUP.

■ **Tony Withey**, chief executive of Remploy, at LINX PRINTING TECHNOLOGIES.

■ **Richard Dunn**, chief executive of Thames Television, at DORLING KINDERSLEY.

■ **Sir Alex Alexander** and **Sir Timothy Kitson** have retired from ALFRED McALPINE.

■ **Iain Dale** as chairman of TR PACIFIC INVESTMENT TRUST on the resignation of **Lord Remnant**.

■ **Roy Bell**, retired head of securities operations at Postel, at LONDON GLOBAL SECURITIES.

■ **Andrew Brode**, owner of Eclipse Group, at VIDEO ARTS GROUP.

■ **Sean Finlay**, formerly md of Celtic Gold, at GLENCAR.

■ **John Allcott**, former site director of IBM, Greenock, as chairman at WOLFSON MICROELECTRONICS.

■ **Barbara Kelly**, a member of the Scottish Economic Council and former chairman of the Scottish Consumer Council; **Fraser Morrison**, chairman of Morrison Construction Group and of Highlands and Islands Enterprise; and **Lord Sanderson of Bowden**, chairman of Scottish Mortgage and Trust, at CLYDESDALE BANK.

■ **Richard Giordano** has resigned from REUTERS HOLDINGS.

■ **John Martinez-Perez** has resigned from MICROVITEC.

Nikko Europe promotes Fukuda

Haruko Fukuda has been appointed to the newly created position of vice chairman of Nikko Europe, the highest ranking post held by a woman at the Japanese securities company.

Fukuda was educated in the US and UK, as well as Japan, and holds an MA from Cambridge University. She was already the top woman at Nikko in her previous position as board director, which she took up in 1988. Her areas of responsibility in that job included corporate finance and European strategy. Previously, she was a partner at James Capel, where she headed the Japanese department.

"Although Japanese by nationality, Haruko Fukuda is a prominent and highly respected City figure. Her appointment is yet another signal of our intention to place responsibility for our future growth and success on the skills and knowledge of local staff," a spokesman said. "As local staff herself, she will be spearheading this change, providing as she does a unique bridge between Japanese and English business cultures."

The promotion of local staff to senior positions is a relatively new development at Japanese financial institutions, which in the past have tended to appoint senior managers on assignment from Tokyo for relatively brief stints.

■ **Jun Okano** has been appointed md and ceo of NIKKO EUROPE. **Tetsuo Miki** has been appointed md of the equity trading division, **Bill Hahn** and **Peter Hesson** joint mds of the fixed income and money markets division, and **Minoru Yamamoto** md of the equity sales division.

MANAGEMENT

Superior staff cafés feed morale as well as the body, write Santa Raymond and Roger Cunliffe

Designer canteens

Wolff Olins's staff café in London has a wonderfully attractive view – on to the canal at the back, complete with ducklings in the spring.

Colour is the delight of the Designers Guild café: blue walls, with magentas and oranges setting off delicious food displayed on a stainless steel counter.

At Imagination, a design and communication company, employees eat at tables spilling out into an atrium, surrounded by exotic objects and plants.

The trend of designer food in designer surroundings for staff is spreading to banks, accountants, law firms and computer companies. But these staff restaurants are not just internal and external shop windows – the more creative are using them to encourage communication and bonding.

Gary Hawkes, chief executive of caterers Gardner Merchant, confirms that the staff canteen should be "an experience, a genuine change from the office, and friendly, so that people may be relaxed and be brought together. The lunch facility demonstrates that people's well-being matters – that what they do matters – that they are important to the firm".

The layout, decor, furniture and lighting of the successful staff cafeteria have to be put together with the same care, and with many of the same criteria, as the most successful restaurant in a city centre.

As more people eat out, go abroad, have new experiences, so they also expect more if they are to use – and benefit from – corporate catering. Ethnic or theme food – haggis and whisky trifle on Burns Night, for example – may fill the house on special occasions but however seductive the facility, no more than half of any workforce will normally eat in-house, unless it is raining.

Hugh Cade, a partner in Touche Ross, confirms a tendency for companies to cut costs by reducing subsidies, although food is still a tax-allowable perk. Normal practice is for the staff to pay the cost of the raw food plus VAT, amounting to about £2.50 for a three-course meal.

In North America, where employment has been historically seen as partnership rather than patriarchy, workers pay around $11 (£7.50) for perhaps better food in a nicer environment.

Breakfast at work is now common in international companies, with some providing it free, but generally food is served during quite restricted periods and not at the end of the day, except for special occasions.

A few organisations offer a 24-hour service; others say they intend to at a later date.

Although it sounds an expensive option, food – good food – can keep the motor going and the morale high.

Coopers & Lybrand, feeding more than 1,000 people a day, with 60 different menu items a week, is particularly conscious of trends. The self-service restaurant caters daily for about 700, with 60 formal or buffet meals being served in the surrounding dining or meeting rooms. A further 400 people buy sandwiches or other snacks from the adjacent "deli".

Smoking is allowed in the beautiful coffee area in the atrium, with street café furniture, white canvas umbrellas, and a waterfall to drown the noise from the Underground 5m below. Although the restaurant is licensed, alcohol is served only in the dining rooms.

Among many workers in general, however, casual feeding, "browsing" and "brown bagging" are on the increase. Even the French are following the international trend of convenience foods and unstructured eating habits. Vending machines are taking over, with "heat your own" microwaves joining the soft and hot drinks and candy bars.

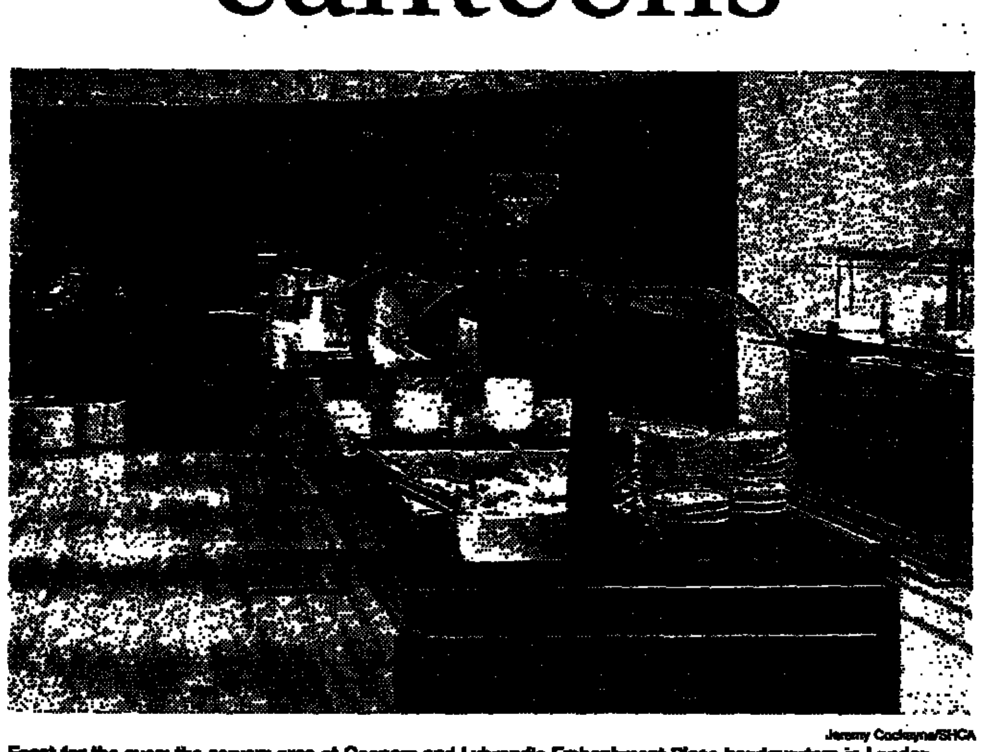
In future there may well be machines delivering the baked potato direct to the dealer's desk, complete with favourite topping.

This is feeding faces, though, rather than nourishment; the well-designed and well-serviced café should provide nourishment of the mind, body and spirit. On some days, at least, workers should be encouraged to pause, sit down and get to know each other better, in a setting where the food and the surroundings help the pressured worker to unwind.

As Jane Scruton, a founder partner of Wolff Olins, observes: "Our café shows the staff that we care for them, and the client that we have high standards, a single level of excellence, and generosity without extravagance. Our food reflects our work ethic: simple ingredients, not dolled up, good looking, wholesome, creative.

"Our way of eating is a training programme for our staff, demonstrating the sort of work we aim to do."

Santa Raymond is an architect and Roger Cunliffe a management consultant.



Jeremy Cockayne/SHCA

Feast for the eyes: the servery area at Coopers and Lybrand's Embankment Place headquarters in London

'Um . . er . . um you're fired'

Dismissing an employee is never an easy task. **Richard Donkin** on how to handle the job

As Harrods discovered this week, firing the managing director can have embarrassing public consequences. But dismissing anyone, be it a boss like Harrods' Peter Bolliger or whole sections of the workforce when a company goes into receivership, is almost always a delicate task.

The language of dismissal appears to have as many euphemisms as that of sex and death. Those unfortunate enough to find themselves on the street may often wonder if they have been let go, terminated, discharged, fired, sacked, axed, given the boot, pushed or chopped.

The euphemisms for executives are more gentle. They retire, leave by mutual consent, part company to spend more time with their family, pursue an alternative career or accept a fresh challenge.

One of the most subtly disguised dismissals appeared in the film *Philadelphia*, when the actor Tom Hanks, playing an Aids victim, was told by his bosses: "We can't make the best use of your talents."

At least the words "You're fired" have a certain ring to them, evoking 1960s American television sitcoms. But does anyone really say that any more? It appears that Mohammed Al-Fayed, Harrods' owner, did or at least say something very similar in last week's acrimonious parting, though this is disputed by Bolliger himself. The Harrods press release – in response to Bolliger's side of the story in a Sunday newspaper – was a masterpiece of corporate vitriol and left no impression that the parting was in any way amicable.

Someone who did enjoy firing people was the late Robert Maxwell. The story goes that he sacked a workman for smoking in the corridor, counting out a month's salary from a wad of notes in his pocket. Only later was it discovered that the man had been repairing a photocopier and worked for someone else.

Anna Reece, Maxwell's former corporate communications manager, recalls that she was sacked simply for waiting at the wrong door of the Savoy Hotel when he arrived to interview a leading Russian politician.

"I had told his secretary and his driver we would be waiting at the main entrance but he told the driver to take him to the riverside entrance instead. In the time it took him to walk the length of the hotel he had called me on his mobile phone to tell me I was fired," she says.

Robert Maxwell: "fired a lot"

The incident, Maxwell told her, had called into question her ability to communicate and her attention to detail. "He fired a lot of people," says Reece, now head of communications at the Institute of Personnel Management.

The experience of dismissal – Maxwell style or otherwise – can be disastrous for the morale of individuals.

Alan Fowler, a personnel specialist with 20 years' experience of informing employees that it is time to leave and author of a book on redundancy, says the best way of dealing with dismissal is to be direct, honest and reasonable.

'Managers feel embarrassed by the situation and might exaggerate shortcomings'

Some employers exacerbate the problem by rushing to withdraw access passes for security reasons. This is often, he argues, an unnecessarily draconian action, leading to a perception by departing employees that they cannot be trusted. For the same reason, he says, there is rarely an excuse for immediate repossession of the company car.

"The most difficult situation for a company is the one where the person is not performing sufficiently well but is not so bad that it is obvious. In those cases it is a matter of judgment," he says.

"Problems arise when managers take the decision that someone should go but try to find other reasons for saying so, rather than being honest about it. The best approach when someone is not doing their job well is to tell them what's required, where they are falling short and give them time to put things right."

Unfortunately, he says, the dismissal itself is often not dealt with openly. "Managers feel embarrassed by the situation and might exaggerate a person's shortcomings in order to make themselves feel better about the decision. Others may give no explanation why they are doing it."

The risk here is opening the way to possible legal action from the disgruntled employee since unreasonable behaviour is one of the grounds for accusing the employer of constructive dismissal.

Using an outplacement agency to counsel staff and help them find new careers is often helpful, he adds, though some companies see this solely as a convenient form of conscience-salving.

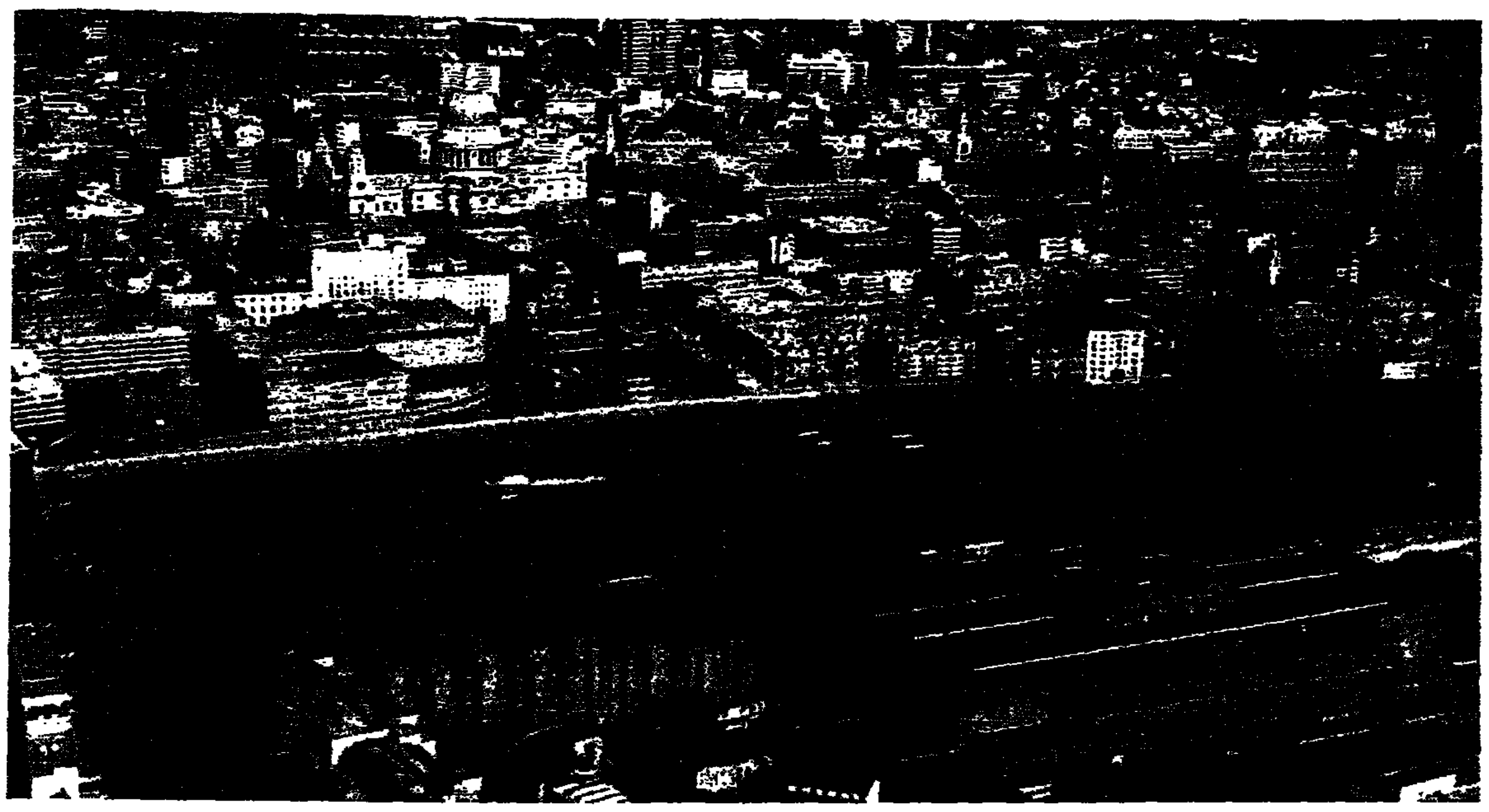
Roger Shipton, a partner at KPMG Career Consultancy Services, believes counselling can dramatically affect how individuals approach a new career. "We have had client companies who have told us that they have noticed a great increase in the morale of those about to leave, often contrasting markedly with low morale among those staying."

The point is underlined by Ewart Wooldridge, director of resources at the South Bank Centre, London, who had to arrange his own departure along with that of everybody else when he was director of personnel at TVS.

The company lost its independent television franchise near the end of 1991. "Redundancy impacts within the whole organisation, with those staying as well as those leaving. You are much more likely to come out with a positive workforce if you do it properly and that means counselling, helping people plan and consulting them."

Get the dismissal right and you may find yourself as embarrassed as Fowler. He says: "On some occasions when I have explained at length what had to happen, people have walked out thanking me for taking the time and trouble to do so. That's hard to take when you're sacking someone."

صورة من الاصل



An aerial view of the derelict Bankside power station, looking north over the Thames to the City of London

The Tate muscles in on Bankside

The gallery's audacious plan to house its modern art collection on the south bank of the Thames should impress the trustees of the Millennium Fund, says ***Antony Thorncroft***

The Tate Gallery has stolen a march over its rivals for Millennium Fund money by announcing that it has selected the Bankside Power station, on the south bank of the Thames opposite St Pauls Cathedral, as the home for its new Tate Gallery of Modern Art.

The gallery is pressing ahead on the assumption that the Millennium trustees, so impressed by the audacity of the project and the commitment of the Tate, will select it next year as one of the half dozen or so major construction projects which will celebrate and commemorate 2001, and onwards. Nick Serota, director of the Tate, hopes that the Gallery of Modern Art will open in 2000.

Dennis Stevenson, chairman of the Tate trustees, anticipates the cost of converting the derelict power station into a museum at £80m. Current thinking is that the Millennium Fund, using money raised from the National Lottery, will contribute £40m (£10m for four years) and that the Tate will make up the remainder. The Millennium Fund should have at least £70m a year to distribute in the run up to 2001.

Bankside, the last great building designed by Sir Giles Gilbert Scott, was only completed in 1963 but was redundant by 1981. It covers 8¼ acres and offers 6m cubic feet of potential gallery space, and with its towering brick chimney and a roof the size of a football pitch, gives tremendous scope for the yet to be chosen architects to convert it into one of the most exciting new galleries in the country.

The Tate's confidence that the project will get the go-ahead must have been strengthened by a supportive letter from Peter Brooke, national heritage secretary and chairman of the Millennium trustees, and Peter Gummer, who heads the lottery committee at the Arts Council, another prospective source of funding – the little mentioned joker in the pack who will pay the running costs of the museum.

The City of London is doing its bit by planning to build a bridge across the Thames to link the gallery with the steps of St Pauls, giving access for the City's 4m office workers. The owners of Bankside, Nuclear Electric, are good friends of the Tate and are probably delighted to have a prospective buyer for the site.

But perhaps the most powerful argument in the Tate's favour is that the visual arts are of increasing public interest, and a gallery devoted to art of the 20th century and beyond dovetails perfectly with the futuristic plans for the millennium. Also some of the richest lovers of art, American and Japanese as well as British, are committed to the modern and the avant-garde. Dennis Stevenson believes that the existence of the gallery will be enough to persuade Japanese financial institutions to settle in the City rather than Frankfurt.

The Tate has been clever in getting its project up and running ahead of rivals for lottery cash, such as the South Bank Centre and the South Kensington museums. It has the local authority, Southwark, on its side, and can depict the new museum as the heart of a cultural and commercial regeneration for the south bank of the Thames, with the re-creation of Shakespeare's Globe theatre now rising alongside; a new tube station coming to Southwark in 1998; and a pier planned for the existing Tate, which will become a gallery devoted to British art, to provide a river connection.

The Tate has also answered the tricky question about how to remove the vast quantities of rusting machinery from Bankside – through the wall at the west end. At Battersea Power Station the roof had to be removed to take out the generators, which is a major cause of its current dereliction.

Even with the new museum the Tate will still not be able to show more than a minority of its vast collection, but Serota believes that all the major works will be on display at the two London outlets. The Tate is also fortunate in that Bankside is not a listed building. This would allow architects to put windows into its solid brick 120 foot high facade, allowing light and river perspectives into the gallery space. As is obvious, everyone is working on the assumption that the Tate Gallery of Modern Art will be a millennium project. If it missed out, the reaction of London's art world would be both apoplectic and apocalyptic.

Fringe Theatre/Alastair Macaulay

Discovering Holberg

Roll up, roll up, for London's Holberg revival. The *what? Who?* Well . . . Ludvig Holberg (1684-1754), known as the Molière of the North, wrote 28 or more comedies for the Danish theatre, which opened in 1722. In both Denmark and Norway, he is called "Father Holberg"; statues of him stand beside the National Theatre of Oslo and the Royal Theatre of Copenhagen; his plays, Ibsen wrote, were "almost the only book I never tire of reading". Oliver Goldsmith knew his work – but few London theatre-goers today do.

Now, however, the London fringe has two different Holberg comedies. Watching both in quick succession has made me curious to know more of his work, and to investigate his importance in the Danish-Norwegian theatrical tradition. The Gate Theatre – the venue celebrated for introducing foreign classics to London – has produced his *Jeppe of the Hill* (1722). Meanwhile the much less well known Greenwich Studio Theatre (which has started to follow a similar repertory – of unknown European classics in translation) has revived its 1993 staging of his *Erasmus Montanus* (probably 1723).

The difference between the two stagings is instructive. The Gate actors perform *Jeppe of the Hill* with panache and sophistication, but often as if condescending to the old play and indeed as if amused by the 18th century. The Greenwich Studio actors are, by comparison, amateurish; but they absorb themselves in *Erasmus* so that it becomes far the more stirring and touching of the two.

The title character of *Jeppe* is a henpecked peasant who escapes his shrewish wife only to drink himself silly. Baron Nilus, coming across his dead-drunk body, has the whim of (a) putting him to bed in the castle and having the castle staff treating him as a lord – for a day; and then (b) returning him (drunk again) to the dung-heap and having him arrested for assaulting the castle staff. There are moments when Jeppe, as alcohol colours his world-view rosy, sounds like Falstaff. More often he resembles Bottom, never quite understanding his visit to "paradise" and never capable of explaining it.

The play becomes more arresting the more you can believe in poor, passive, all too human Jeppe. If the play is to have any heart, he must be its most intensely *human* character. Jonathan Coyne is pleasant but lightweight. Like his colleagues, he wastes too much time addressing the audience, panto-style. Bernadette Roberts has provided an admirable single set that, with various props, becomes four different locations. Kenneth McLeish, the translator, has written that Holberg's script was intended as "a skeleton, a template for performance . . . to be filled out and expanded by the company in characteristic *commedia dell' arte* style". OK; but, although everyone in Ben Crocker's direction is charming, nobody seems really to believe that Jeppe's world could ever be three-dimensional. Or that Holberg might be worth serious attention.

The title *Erasmus Montanus* sounds rather learned – but actually is a joke. Rasmus Berg is a farmer's son who goes to university and comes back so disgustingly learned that he insists on being called "Erasmus Montanus". So far, the sympathy is all against him. But he also insists that the earth is round and that it rotates around the sun – which the farm folk regard as repulsive heresy Rasmus Berg is vilified, and finally has to recant. Suddenly, for a while, the Molière of the North seems to have prefigured Brecht's Galileo; and I watched with tears as well as laughter.

Both these Holberg plays have a highly conservative sting in thir tails. *Jeppe* ends with the moral that peasants are best in their place, for, if allowed to rule, they behave all too boorishly. *Erasmus Montanus* winds up more subtly, with the university-educated lieutenant telling Rasmus that true learning teaches tact, proportion, good manners. What makes Holberg an artist larger than these conclusions is his humanity, and I loved Julian Forsyth's staging of *Erasmus Montanus* far more than *Jeppe* because it did more to bring to life its characters.

***Jeppe* is at the Gate Theatre, W6, until May 21; *Erasmus* at the Greenwich Studio Theatre until April 30**

Alastair Muir

Jonathan Coyne and Deborah Manship in 'Jeppe of the Hill'

Dance/Clement Crisp

'X.N.Tricities' proves better than its label

In the spring English National Ballet's fancy turns (not too lightly) to thoughts of touring. Small-scale touring, with the company divided, so that this week one group of dancers sets out on its regional journey, with a quadruple bill and piano accompaniment, while next week another group, plus orchestra and different ballets, also embarks upon a missionary round.

I think the scheme excellent. Dancers get new roles. Choreographers can make small pieces and try their strength. Audiences see something other than those splinters of the True Cross which they are gulled into believing are "the classics". Were there any coherent policy for ballet in this country, both sections of the Royal Ballet would build upon the success of this year's brief and small-scale *Dance Bites* tour and follow ENB's example.

ENB's tour started at the Wyvern Theatre in Swindon, where I saw its very successful programme on Wednesday night. There were palate-ticklers of course, and rightly so. Dinna Bjorn, illustrious Bournonville expert, has made a clever version of the sextet and tarantella from last act of *Napoli*. Eight dancers work like demons. The piano accompaniment is a bit thin, but the dances are not, and I was most impressed by the men – Stephen Sherriff, Lee Robinson, Yat Sen Chang, Glauco di Lieto – who brought a great deal of verve to their steps. Not yet the most idiomatic Bournonville, but joyous – and that is what the old master wanted.

The evening ended with Derek Deane's re-staging of the *Paquita* grand pas. What I saw before train-time was well-reasoned, and challenged the dancers in the right way, although *Paquita*'s peaks are really only to be scaled by Kirov dancers. In between these happy book-ends, two novelties. The first is a revival of Deane's *Impromptu*, a duet he made in 1982 for Antoinette Sibley and David Wall. Schubert's E flat major impromptu; a lovely dress for her, dull tights for him; a shifting sequence of emotion; a dance language lyrical, intense, and with beautiful manners. The piece is a small delight. It needs, I think, artists as grand as its first cast to do it full justice. In a debut, Josephine Jewkes and Christian Duncan sketched the outlines of an attractive interpretation which I look forward to seeing when it has been shaped by further performance.

And as the necessary change of mood for such an evening, a new piece by the Italian choreographer Mauro Bigonzetti. Anything passing itself off under the title *X.N.Tricities* has very serious problems, but in the event, the piece is far better than its label. Bigonzetti has saddled himself with a deeply tiresome electronic score, and some modish leather costumes – a material about as suitable for dancing in as tin – but he has a quick eye for the potential of distorted classicism, and for a hard-driven Forsythian energy.

Six women, five men, confront each other, share bursts of dynamics, drive movement off-centre and re-establish some kind of order, and the eye is held, even as the ear rebels at the nonsense filling the air, and you wonder what the hell is the point of two vast lenses on stage which serve to enlarge various anatomical bits. (Nothing saucy; everything arbitrary). The cast is excellent, tearing into the dance and coming out not only unscathed but enhanced as artists – Yat Seng Chang, Denzil Bailey, Stephen Sherriff and Lucy Smith notably good. It is an intriguing and by no means unworthy addition to the repertory. The tour's programme book is notably well designed and informative. The staging of the evening is exemplary. Other companies please copy.

This English National Ballet programme can be seen in Newtown, Cambridge, Barrow, Tunbridge Wells, Preston, Snape, during the next four weeks.

INTERNATIONAL ARTS GUIDE

Vienna Festival

Vienna has so many seasonal festivals that it is sometimes difficult to know where one ends and the next begins. The festival which stands out, however, is the annual celebration of the arts in May and early June. This year's Vienna Festival (May 6 to June 12) presents the work of some of Europe's outstanding stage directors, and there is an unusually strong concert line-up.

Shakespeare and Ibsen dominate the drama programme. The flagship production is Shakespeare's Antony and Cleopatra directed by Peter Zadek, with Gert Voss and Eva Mattes in the title roles. Ibsen is represented by The Wild Duck in a production from Hamburg, and by Andrea Breth's staging of Hedda Gabler from the Berlin Schaubühne.

The opera programme is headed by two revivals – the Jonathan Miller/Claudio Abbado production of Le nozze di Figaro, with a cast headed by Ruggero Raimondi and Barbara Bonney, and Achim Freyer's staging of Iphigénie en Tauride. On a lighter note, the Deutsches Schauspielhaus of Hamburg brings Herbert Wernicke's uproarious version of Johann Strauss' Gypsy Baron. The dance programme features one of the leading lights of modern dance theatre, Pina Bausch.

The opening concert is conducted by Pierre Boulez, and the Vienna Philharmonic's other conductors include Muti, Giulini and Ozawa. The guest orchestras include the City of Birmingham Symphony, Chicago Symphony, Berlin Philharmonic and two period instrument ensembles from Britain – Trevor Pinnock's English Concert and Christopher Hogwood's Academy of Ancient Music. Tickets and information from Vienna Festival, Lehargasse 11, A-1060 Vienna (tel 586 1676 fax 586 167649)

EXHIBITIONS GUIDE

AMSTERDAM

Van Gogh Museum Pierre Puvis de Chavannes: 150 portraits, still lifes, genre pieces and sketches by the 19th century artist whose murals grace many public buildings in France. Ends May 29. Daily

BARCELONA

Museu Picasso The Russian Avant-Garde 1905-25: a touring exhibition of 80 paintings covering the major stylistic trends of the period, and drawing on the collections of smaller Russian museums until recently barred from western view. Ends June 26. Closed Mon (Carrer Montcada 15-19)

BERLIN

Museum für Indische Kunst Lost Empire of the Silk Road: a remarkable collection of 87 well-preserved pieces of Buddhist art from the 10th to 13th centuries, which lay buried at Khara Khoto under the sands of the Gobi Desert until they were uncovered during archaeological research in 1908. Among the exhibits – on loan from St Petersburg – are colourful scrolls from the Chinese Song dynasty, portraits of Tangut lifestyle and a large double-headed Buddha sculpture. Ends July 3. Closed Mon

Spandauer Zitadelle Dali as Sculptor and Illustrator: 38 sculptures from the years 1936-88 and 300 illustrations on themes from world literature. Ends May 25. Daily

BRUSSELS

Patrick Derom Gallery James Ensor: 60 oils, drawings and coloured engravings from the period 1896-1940 by the Belgian painter who treated macabre subjects in a style predating Expressionism. Ends June 5. Closed Mon (Rue aux Laines 1, tel 514 0882)

COLOGNE

Josef-Haubrich-Kunsthalle The World of the Maya: 300 objects from the golden years of Indian culture in Central America. Ends May 15. Daily

Museum Ludwig The Unknown Modigliani: 240 of the 440 previously unknown drawings amassed by Paul Alexandre before 1914. Ends July 10. Closed Mon

ESSEN

Folkwang-Museum Paul Strand (1890-1976): 150 photographs by the celebrated American photographer, capturing images of peoples, landscapes and architecture from his worldwide travels. Ends June 10. Closed Mon

FRANKFURT

Deutsches Architekturmuseum Modern Architecture in Germany 1900-1950. Ends July 3. Closed Mon

LONDON

Royal Academy of Arts Goya: 100 small-scale paintings covering his entire career. Ends June 12. Daily (advance booking 071-396 4555)

Hayward Gallery Salvador Dali: The Early Years. Ends May 30. Daily (advance booking 071-928 8800)

Tate Gallery Picasso: 200 works focusing on the relationship between sculpture and painting. Ends May 8. Daily

Victoria and Albert Museum A new Glass Gallery has been opened to display more than 6000 objects, illustrating the history and development of glass during the past four millenia. Daily

LUGANO

Villa Favorita Europe and America: 19th and 20th century oil paintings and watercolours by Bierstadt, Ernst, Munch, Hopper, Malevich, Pollock and others. Ends Oct 30. Closed Mon. No parking facilities: take Bus no 1 (tel 091-516152)

LYON

Musée des Beaux-Arts The Romantic Movement in France: paintings, sculptures, drawings and engravings from the museum's own rich collection of works by Charlet, Delacroix and others. Ends June 19. Closed Mon and Tues

MADRID

Centro de Arte Reina Sofia Lucien Freud: a collection of paintings, drawings and etchings celebrating the recent achievements of Britain's greatest living realist painter. Also Joseph Beuys (1921-86): 10 installations, 25 sculptures and 456 drawings by the controversial German artist. Ends June 6. Closed Tues

Fundacion Juan March Isamu Noguchi (1904-88): 58 outdoor sculptures expressing the oriental and western cultural traditions inherited by Noguchi, an American artist of Japanese origin. Ends June 26. Daily

NAPLES

Castel S. Elmo Naples under the Austrian Viceroy 1707-34: a splendid itinerant show from Vienna, dominated by the magnificent baroque works of Francesco Solimena. Ends July 24

NEW YORK

Museum of Modern Art Frank Lloyd Wright: architectural fragments, full-scale constructions, scale models and 350 original drawings. Ends May 10. Feininger, Kandinsky and Klee: 75 prints and illustrated books produced by three Bauhaus artists. Ends May 17. American Surrealist Photography: 45 works from the period 1930-1955. Ends July 5. Closed Wed

Metropolitan Museum of Art The Decorative Arts of Frank Lloyd Wright. Ends Sep 4. Petrus Christus: 22 paintings by the 15th century Netherlandish master, renowned for the jewel-like luminosity of his work. Ends July 31. Sidney Nolan's Ned Kelly Paintings. Ends July 17. Batak Art of North Sumatra: 70 works focusing on art traditionally used to invoke divine intervention. Ends Dec 31. Closed Mon

Guggenheim Museum Frank Lloyd Wright's Designs for the Guggenheim Museum. Ends May 20. The main museum is closed on Thurs, the SoHo site on Tues

Whitney Museum of American Art Isamu Noguchi: retrospective of the 90-year-old artist whose work merges Asian traditions with Western Modernism. Ends June 19. Joseph Stella (1877-1946): more than 200 paintings and works on paper by the modernist who helped translate concepts of the European avant-garde into an American idiom. Ends Oct 9. Closed Mon

PARIS

Grand Palais The Origins of Impressionism 1859-69: an exhibition of 180 paintings showing how the young Monet, Manet, Pissarro, Renoir and Degas collaborated in rejecting the barren academic style of the day and prepared the ground for the advent of modern art. Ends Aug 8. The Sun and the Northern Star: paintings, porcelain, furniture and silverware imported by Gustav III of Sweden in an attempt to emulate the splendour of Versailles. Ends June 13. Closed Tues

Musée d'Art Moderne de la Ville de Paris From Van Gogh to Modrian: the exhibition is built around Modrian's journey from Pointillism to Cubism and on to an abstraction. Ends July 17. From Concept to Image: 10 contemporary Dutch artists. Ends June 12. Closed Mon (11 ave du President Wilson)

Hôtel de Ville Nicolas de Stael: 70 paintings and 40 drawings by the Russian-born, French-trained painter who committed suicide in 1955. Ends June 19. Closed Mon (Salle Saint-Jean, 3 rue de Lobau)

Mona Bismarck Foundation Early Italian Peoples: pottery, jewellery, bronze statuettes and arms 3000-300BC. Ends May 17. Closed Sun and Mon (34 quai de New York)

Petit Palais Art of the Tainos Sculptors: 85 pre-Columbian masterworks in stone or wood. Ends May 29. Closed Mon

STUTTGART

Staatsgalerie Picasso: a rare showing of 400 prints from a private collection, including portraits, still-lifes and many other themes. Ends June 19. Closed Mon

VENICE

Palazzo Grassi Renaissance Architecture from Brunelleschi to Michelangelo: 250 works from European and American public collections. Ends Nov 6. Daily

WASHINGTON

National Gallery of Art Ruth Benedict Collection: prints and drawings from the 16th to 20th centuries; Rembrandt, Canaletto, Tiepolo and Moore. Ends June 12. Ornament in European Graphic Art 1300-1800: prints, drawings, illustrated books and decorative objects. Ends Aug 21. Daily

Arthur M Sackler Gallery Contemporary Porcelain from Japan. Ends Sep 5. Korean Arts of the 18th Century. Ends May 15. Daily

Freer Gallery of Art Chinese Bird and Flower Painting: 21 examples of the colourful gongbi style of painting from the 12th to 18th centuries. Ends May 30. Daily

Hard days, dollar nights

Stephen Fidler on the pressure for economic reform in Cuba

To eat well in Havana, you need dollars.

The currency, once the hated symbol of US imperialism, was made legal tender by President Fidel Castro last July. It gives those Cubans with access to dollars the means to supplement minimal food rations, to buy petrol and other "luxury" items. It is their passport to illegal private restaurants in houses around Havana and to the unofficial taxis cruising the city.

Those without dollars, at least in the city, are forced to depend on government handouts of a few pounds of rice and beans a month, rum, cigarettes and occasional other items. For many, daily life in Cuba after the collapse of the Soviet Union is dominated by the chore of finding something extra for the cooking pot.

Since the fall of the Soviet Union, which channelled $65bn in financial support to Cuba over three decades, Cuba's economy has shrunk by an estimated 50 per cent. Fuel shortages have closed factories and most households suffer power cuts of six to 12 hours a day. The bicycle is the main means of transport through Havana; many travel two or even three to a bike.

Getting hold of dollars has become an obsession for many Cubans, forcing almost everyone to break the country's restrictive laws. As a result, hundreds of women in Havana have turned to part-time prostitution. A foreigner walking along the Malecon, Havana's waterfront, does not go far without being propositioned.

The government recognises the problem. Its reluctant legalising of the dollar benefited those least loyal to Castro's 1959 revolution. They included those who kept in touch with exiled relatives in defiance of the government. Now, the government is, ironically, trying to mend fences with Cubans abroad who send home about $400m a year in cash and goods.

The growth of a dollar economy – already probably bigger than the socialist state sector – inevitably reduces the government's ability to dictate Cubans' living conditions.

The government's shortage of hard currency means it has little with which to buy the loyalty of the population. The old levers of control are rusting as defenders of the revolution are themselves forced to move to the margins of the law. "The police are just the same as everyone else," says Andres, a catering student who is among the hundreds of youths who gather every evening along the Malecon. "When they've finished work, they have to find ways to get food."

Castro's government appears at best equivocal about what it should do next, and there seems to be no model for reform. Officials deprecate the idea that they are seeking some kind of "Chinese model" – economic reform in a strictly controlled political setting – perhaps because they recall the Tiananmen square massacre. They argue that China's huge domestic market and large rural population is not replicated in Cuba.

So far, the reforms have done little more than legitimise already rampant black market activity. After authorising limited private enterprise last year, the government last month attempted a crackdown on the black market. The police rounded up many of the capital's Lycra-clad prostitutes, closed private restaurants and searched cars going into Havana, confiscating food – which by law must be sold to the government – intended for illegal sale.

This was interpreted by some Cubans as a practical move to stamp out some of the more egregious black market activities, and to underline the government's determination to maintain law and order. According to one Cuban sympathetic to the government, many private restaurants were unsanitary and were becoming havens for delinquents. But others saw the measures as a sign that Castro remained opposed to market reform.

Either way, the effectiveness of repression has been limited. New restaurants have replaced those that closed, while some restaurateurs have become caterers, delivering food to the homes of customers.

If the government is to build on the limited reforms already made, many observers reckon it should start sooner rather than later. Mr Jacques de Groote, an executive director of the International Monetary Fund, who visited Cuba in an informal capacity last November, said then that "time is running out for the orderly introduction of a critical mass of market-oriented measures".

His view was that the government's "time-frame for decisive action seems to be in the next three to six months".

The six months is nearly up, with no sign of action. Things may be clearer after the meeting of the country's National Assembly, scheduled to open on Sunday. Government officials have played down expectations of what might be achieved, though they have held meetings – with often frank exchanges – in workplaces across the country. Mr Roberto Rivas, director of the government's Committee of Economic Co-operation, which tries to encourage inward investment, said this month that "the process has been slow because of the need to obtain consensus".

Some fiscal and monetary measures may be adopted. For example, the National Assembly may agree to the closure of some state enterprises – 69 per cent of which lost money last year, according to the government, and many of which have ceased production.

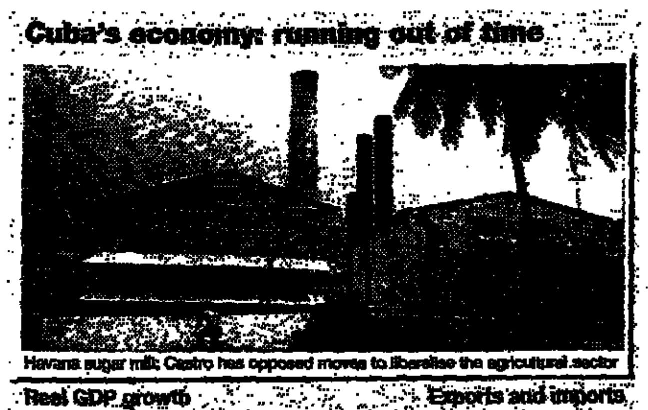
However, there is no indication of strong action on the supply side of the economy. The most important single measure would be the liberalisation of the agriculture sector to legalise private markets for food. But Castro has in the past opposed this move.

Many observers see his dilemma becoming more acute. He can either try to lead the economic reform, ceding some political control but preserving some gains of the revolution, such as its education and health services. Or he can resist it, and watch while the remaining structures of government decay and "illegal" activity proliferates.

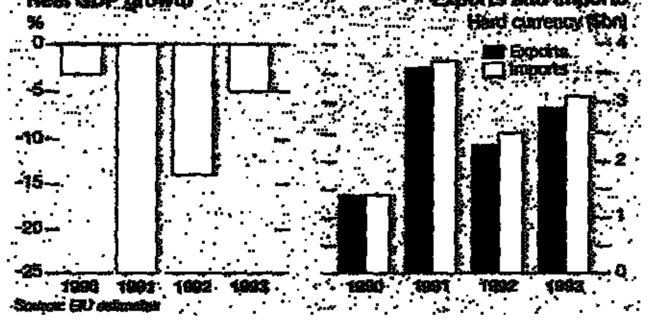
Castro, now 67, will probably take the decision he calculates will best preserve his hold on power. That power may be dissolving daily as the economy moves inexorably towards the market. But there is little evidence yet that Cubans' falling standards of living are translating into coherent political opposition.

This may be because Havana is still free of the abject poverty that blights most Latin cities, but it is more likely that most Cubans are too tired to indulge in political intrigue. "At 10pm, the last thought that working men and women have is to get out on a bicycle once again to attend a political meeting," said one Cuban cited by the Cuban-born US academic Jorge Dominguez in a recent report. "They just want to rest and sleep because the next day will be just as tough."

Cuba's economy: running out of time

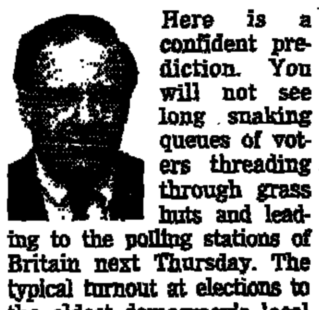


Havana sugar mill: Castro has opposed moves to liberalise the agricultural sector



Joe Rogaly

Ebb, and ebb, of the tide



Here is a confident prediction. You will not see long snaking queues of voters threading through grass huts and leading to the polling stations of Britain next Thursday. The typical turnout at elections to the oldest democracy's local councils is around 40 per cent. So there will be no last-minute extra print runs of ballot papers, no extension of the poll until the following day, no stickers showing the beaming face of a spear-waving late entrant (Richard Branson?). Absent a miraculous intervention by the Virgin king, next week's contest will pass us by quietly.

This is hardly surprising. The local councillors due to be elected will sit in chambers of impotence. Housing, health, education and locally-raised taxation are among the many areas in which local authorities formerly reigned, but in which they now lie supine before Whitehall. True, the overall shares of the local vote won by the national parties may tell us about the present mood of the electorate. The value of that will be short-lived. Calculations about how much support has fallen away from the government may affect the prime minister's chances of staying in office, but whether Mr John Major stays or goes is of little relevance. What counts is the evident disintegration of his party.

In short, next week's elections will not answer the central political question of the day – to wit, will a resurgent economy lead to a surprise fifth Tory victory in the general election of 1996 or 1997? The question assumes that economic factors alone determine the outcome of a poll – that the issue is always, in the words of the Clinton campaign, "the economy, stupid". This might be true, but it is not universally accepted. Two or three years hence factors other than how good the punters feel may have a strong influence on the outcome. Voters have begun to notice the clumsiness of this exhausted government. In office too long, the Conservatives have forgotten how to avoid mistakes. Fearful of what may lie ahead, they seem unable to take decisions. When the government does reach a conclusion, it is nowhere. The faintest zephyr of unpopularity dissolves its stated intent.

All of which is another way of saying that many Tories have lost the will to govern. The component parts of what in other countries would be a coalition have forsaken their unity of purpose. They have forgotten that the desire to win is the cement that binds them. When this proposition is put to Conservatives, the reply from ministers and backbenchers alike is that all the new thinking is taking place on the right. It is among Conservatives that you find political debate. The Liberal Democrats have projected a set of national policies but these are not seriously debated. Labour is silent.

Voters now notice the clumsiness of this government. In office too long, the Conservatives have forgotten how to avoid mistakes

There is something in this. The importance of political ideas was stressed by Mr Peter Lilley in his recent Spectator lecture. He pointed out that if elections were determined just by the state of the economy the Conservatives would have lost in April 1992. That was the only contest fought at the bottom of a recession since 1945. There was a sharp rise in living standards immediately prior to the national votes of 1964 and February 1974, yet the incumbent Conservatives lost both. The tide of ideas clearly matters.

Mr Lilley has a point, but it is not wholly convincing. It is true that the Labour party will come a cropper if it continues to present a face of dumb complacency to the public. In such circumstances it will deserve to fail. Against that, prudence suggests that Mr John Smith may be believed when he intimates that he is biding his time. Let us give him the benefit of the doubt. We shall assume that, when he decides the moment is right, the Labour leader will produce popular philosophies so wondrous in their beauty, so marvellous in their intellectual clarity, that the ghosts of previous thinkers from Plato to Marx will tremble. A synopsis will do. Post it. Pulses racing, we will have a look at it.

Meanwhile the Conservatives propose to pursue the strategy that they stumbled upon during the 1980s. Reduce the responsibilities of the state. Promote competition, choice, and self-reliance. Privatise manufacturing and service industries. Devolve the day-to-day management of the social services to appointed boards, with budgetary responsibility. Steadily reduce handouts of taxpayers' money to the undeserving poor. Mr Lilley, in common with colleagues on the Conservative right, takes this theme as far backwards as it will stretch. His faction is cautious-minimalist, anxious to limit the role of government, but restrained by a sense of what is politically possible.

Although Labour lacks the imagination to say so, that is what is wrong with the Tory strategy. The new job-seeker's allowance is close to the American notion of workfare. Expecting those on the dole to take work was inherent in the Beveridge report. Labour could offer more radical reform of unemployment benefit than the Tories, simply by going back to Beveridge. There are other opportunities. The new trust hospitals, budget-holding practices and opted-out schools, Mr Lilley reminds us, are based on the principle of the money following the customer. This is not working. In health, patients are chasing the money. There is no clamour for grant-maintained schools.

These new marketised institutions are expected to provide "value for money". This is a useful Thatcherite concept, but insensitively applied it destroys trust and distorts professional standards. The case is argued by Mr Micheal Power, in *The Audit Explosion*, a pamphlet available from Demos (9 Bridewell Place, London EC4V 6AP). Mr Power demonstrates that audit-mania plus performance-related pay can reduce the quality of public services. Here too Labour has an opening. Put the money in the purchasers' hands, or give them vouchers. Armed with health vouchers NHS patients would have the status of frequenters of Harley Street. Distribute education vouchers to parents, and all schools will compete on quality of education. As to democratic control, Labour has the edge. Its likely proposals for local and regional elected authorities cannot be matched by government-averse Conservatives.

Yet no major British party promises salvation today. Join a queue to vote for one of them? I'd sooner vote Inkatha.

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL
Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

Elections are key to next EC president

From Mr Ben Patterson MEP.

Sir, Your editorial, "Eurosuperman step forward" (April 27), on the appointment of a new European Commission president omitted one crucial fact. It is true that there will be "an obscure political bargaining process" over the next two months, but it will be to select only a nominee for president. The final decision on both the presidency and the Commission as a whole will be taken in December, and not by the national governments. It will be taken by the European parliament.

This is one reason why the elections to the parliament on June 9 are of greater importance than in the past. Whichever political tendency gains the upper hand will wish to see its views reflected in the Commission.

It was, indeed, precisely so that this would be the case that the Commission's terms of office was changed by the Maastricht Treaty so as to coincide as closely as possible with that of the parliament.

Ben Patterson,
European parliament,
97-113 rue Belliard,
1040 Brussels,
Belgium

Vital for London's future

From Mr Stephen O'Brien and others.

Sir, During the House of Commons debate on April 21, the secretary of state for transport reiterated the government's support for the CrossRail project. Such a welcome and positive restatement of commitment from government – as the select committee moves towards a decision on the future of the CrossRail project – signifies just how fundamental this scheme is to the future of London.

CrossRail is crucial to London's image as a world-class city. Its cancellation or postponement would be a severe setback to achieving a modern and integrated transport network for the capital.

Not only would such a delay cause planning blight to swathes of property across London on a scale not experienced since the Planning Act came into force, but the resulting uncertainty – which seems to dog all new transport projects – would also dampen the private sector's appetite for investment.

We urge most strenuously that the CrossRail Bill is taken to a prompt and positive conclusion. London cannot afford blight on the scale implicit in a deferred decision. The select committee must seize this opportunity to bring into being a vital component of London's transport system and to help bring about a transport network fit for the 21st century.

Stephen O'Brien,
chief executive, London First,
Michael Cassidy,
chairman, policy and resources committee, Corporation of London,
Peter Hunt,
chairman and managing director, Land Securities,
Sir Colin Marshall,
chairman, British Airways,
Ian Reeves,
chairman, CBI London Region,
Simon Sperryn,
chief executive, London Chamber of Commerce and Industry,
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London SW1Y 6JJ

Works councils not costly, nor a cause of delays

From Mr Bert Thierron.

Sir, In your article, "EU works council costs put at £1m" (April 22), the Engineering Employers' Federation claimed that European works councils would cost £1m a year and Unice, the European employers' organisation, added that the existence of these consultative bodies would delay decision-making in multinational companies by three months.

The European Metalworkers' Federation has in the past three years organised 150 meetings for workers' representatives from multinational companies in the metal sector. These meetings cost between £10,000 and £40,000 each depending on the number of participants and the number of countries and languages involved. Our experience tells us that these are realistic figures provided the meetings are not held in five-star hotels, participants do not travel first class and meals are not taken in three-star restaurants.

With regard to the delay in decision-making, I would like to draw your attention to the 18 European works councils already existing in the metal sector. Many of these voluntary agreements between management and workers' representatives of multinational companies include provisions for consultation procedures. So far, not a single manager has reproached the workers' side for trying to delay decisions. In all cases management has tried to obtain support for planned action through the force of good argument.

Should you be interested in further details about the advantages and costs of European works councils I would suggest you contact those multinational companies which have practical experience with these bodies. The EMF would be more than willing to provide you with 18 company names and addresses.

Bert Thierron,
general secretary,
European Metalworkers' Federation,
Rue Fossé aux Loups 38,
1000 Brussels,
Belgium

A suspicious quality

From Mr D T Wiggins.

Sir, I read with interest the letter from Ms Chrissie Loveday (April 23) regarding the BS5750 certificate – which she is beginning to learn to hate.

From the commercial point of view, BS5750 seems to have spawned a whole industry of so-called consultants and would-be advisers.

Unfortunately, there does not seem to be any published list of those companies which have failed to maintain their standards and have been delisted. In fact, what started out as a sound system has turned into a bandwagon, which is being jumped upon, purely for would-be bureaucrats – as there is no real method to provide an audit after the gaining of a certificate.

We are now regarding, with some suspicion, would-be suppliers which boast on their letterhead the dreaded number. It does not guarantee either quality or standard.

D T Wiggins,
managing director,
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100 Morden Road,
Mitcham,
Surrey CR4 4DA

Cruel deception perpetrated by opponents of PO privatisation

From Mr Michael E Corby.

Sir, Your article, "Troubles pile up for the Post Office" (April 25) was timely, but I fear the consequences of the delay in Post Office privatisation could be even worse than you suggested. The PO is not only ripe for privatisation, but such a step is essential if it is to be in a position to continue to provide the range of facilities to the current high standards, and keep its prices within current inflation levels. In the last decade the management and staff have transformed the business in terms of profit, service and prices. This is now being put at risk by the lack of a decision on privatisation by the government.

Concerns about privatisation resulting in loss of service are ill-founded. Similar dire prospects were conjured up at the time of telecoms privatisation but services, particularly the social and public ones, greatly improved.

The change from Crown offices to franchised offices has already produced improvements in services. Entrusting former Crown offices to entrepreneurs has led to longer opening hours and a more customer-friendly approach. However, if PO Counters continues to be inhibited from developing alternative trade then unit costs will rise, to the detriment of the service. Those relying on Counters for pensions and social security payments will be hurt the most. Those who oppose privatisation of PO Counters are perpetrating a cruel deception on the very people they are purporting to help.

With mails, the risk is that, as letter traffic is eroded, the existing PO will be less well able to underpin current service levels across all its business. The underlying trends of PO finances are now becoming adverse. If the PO slips back from its current position it will be even harder to turn round than it was during the 1970s.

The Treasury is in a lose-lose position. If it allows matters to drift then either it will receive reduced contributions to the public sector borrowing requirement from the PO, or, if it insists on them being maintained, the PO will have to fund them by a combination of inflationary price increases and service cuts.

This is avoidable: an imaginative privatisation, involving all the staff and the public, will ensure that the PO has the financial strength and managerial flexibility to maintain and develop its services and secure its future. Regulation by "Ofpost" will safeguard the social service elements.

The more the government delays, the bigger risks it is taking.

Michael E Corby,
(*director, Mail Users Association 1976-1985*),
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Friday April 29 1994

Come clean, Mr Berlusconi

Mr Silvio Berlusconi, who yesterday was asked officially to form the new Italian government, does not seem yet to have fully grasped the implications of his sudden transformation from successful businessman to successful politician. He has accepted only under pressure, rather than spontaneously, the need to place his business empire in an arm's length trust for the duration of his term of office; and he has not accepted at all the need to make public what exactly that empire consists of or how its ownership is structured.

Some of his compatriots will sympathise instinctively with this attitude. A certain discretion about one's assets and balance-sheet is not considered unethical in Italy. But a prime minister, and more especially one who has just been elected offering a clean break with the old, corrupt political system, cannot take the same attitude to the tax system as an ordinary private businessman. It is his job to see that the state receives its due revenues and that its accounts add up.

The notion of "conflict of interest", familiar in English-speaking countries, is less so in Italy where businessmen have traditionally used political connections, and politicians used business connections, to make money. But Mr Berlusconi's rise to power is the direct result of a national revulsion against the extremes to which that ethos had been carried by the established political class. If the notion of a clean break means anything at all, it should mean that from now on public and private interests will be kept firmly separate.

That is even more important in Mr Berlusconi's case because of the nature of his business, or rather of one of his businesses. Many people regarded the concentration of media ownership in his hands as excessive and unhealthy even before he went into politics, and when he did so his opponents not unnaturally claimed that it gave him an unfair advantage. That such power should be combined with control of the state is hardly compatible with democracy, since it would allow its holder to impede the access of his opponents to the public ear and eye.

The right course for Mr Berlusconi is not to react defensively to such arguments, but to take the initiative. He could and should set a timetable to divest himself of parts of his empire, such as the Standa supermarket chain, by selling them on the open (which must mean the international) market.

To do that with his media interests would be more difficult, given prevailing uncertainty about the legal framework in which they will operate. (The present legislation may be overturned by referendum.) Here, Mr Berlusconi should turn his interests over to trustees of unimpeachable integrity and propose himself a new media ownership law to make such concentrations impossible in the future. If he does that, Italians will know that they are indeed entering a new era, and can do so with pride.

Iran accused

The US and its main allies have been at odds for more than a year about how to handle Iran. For the Clinton administration the issue has been fairly cut and dried. It asserted that the Iranian government sponsored international terrorism, was seeking to acquire nuclear weapons and wished to undermine stability in the Middle East. Accordingly, the US enunciated a "dual-containment" policy designed to isolate Iran, and Iraq, and to deny those two countries the benefits of economic relations with the industrialised world.

Most Western European countries and Japan, while wary of Iranian intentions, have resisted US pressure to follow its lead. In part their reasons have been straightforwardly commercial. Iran is an important trading partner, and at a time of international recession there was an understandable reluctance to close off a profitable market.

On the political level there is a continuing debate about the composition and intentions of the Iranian regime. President Ali Hashemi Rafsanjani appears to represent the more pragmatic face of the government, seeking better relations with the west and supporting market-oriented reforms at home. Ayatollah Ali Khamenei, the spiritual leader, appears on the other hand to be more in the mould of his predecessor, Ayatollah Khomeini. Whether they are the two sides of the same coin, or represent opposing political trends in Iran, has yet to be satisfactorily answered.

Britain's accusation yesterday that Iran has established contacts with the IRA, and perhaps with other international terrorist groups, suggests support for the US interpretation. At best, it would indicate that the more moderate elements in the Iranian regime are unable fully to control the most radical factions who remain deeply hostile to the west and no less committed to exporting their view of Islamic radicalism.

The US believes that they can best be brought to heel by offering Iran no relief from its already grave economic crisis, brought on by war, gross government mismanagement and by the decline in the price of oil. Almost all Iran's main trading partners are in the process of providing such relief, by rescheduling a large part of the short-term debt built up since the end of the war with Iraq. Britain's latest accusations against Iran seem unlikely to stop the process.

But the Iranian regime would be foolish to believe that it can rely indefinitely on the individual self-interest of western nations to offset its attempts to destabilise governments it does not like. Its high level of debt, deteriorating infrastructure, and urgent need for access to international financial markets, makes an accommodation with the west vital in order to head off the threat of domestic discontent. By behaving in such a way internationally, the Iranian regime risks provoking its own destruction and so, indirectly, plays into Washington's hands.

Euro-networks

Last December Mr Jacques Delors, the European Commission president, won qualified approval from EU government leaders for a long-term plan to integrate the region's transport, energy and telecommunications networks. Mr Delors argues that such trans-European networks are needed because the EU's single market will be incomplete while its infrastructure remains fragmented along national lines.

Mr Delors is right in his diagnosis. However, his chosen remedy, an ambitious programme of trans-border official co-operation backed by public expenditure totalling Ecu400bn, looks misconceived. As currently envisaged, it risks proving a wasteful irrelevance, and could even make unattainable the very goal it sets out to achieve.

The reason is that the networks the programme aims to integrate are mostly operated by monopolies, which have long enjoyed immunity from competition in return for staying within national or regional borders. It is their introverted attitudes and stubborn determination to cling to historic privileges and captive markets – not the existence of national borders *per se* – which pose the biggest obstacle to a true single market in Europe.

That is clear from the fact the liberalisation has encountered most resistance in areas traditionally dominated by national monopolies. Even in air transport, where progress has been greatest, France has reneged on its commitments by keeping Orly airport closed to competition. In telecommunications services, no real liberalisation is planned before 1998, while in energy there has been almost no movement at all.

That is not for lack of prodding by the Commission, which showed commendable firmness this week in ordering France to open up Orly. Brussels' call for full liberalisation of mobile telecommunications is also a positive step. It is, however, a sorry fact that even in this area, where a pan-European service was planned from the outset, its achievement has been blocked by national policy and technical differences.

It is regrettable that the Commission's powers to act against state monopolies are less than clear-cut. They may have been further clouded by a European Court decision this week upholding a Dutch energy utility's monopoly-selling arrangements. Nonetheless, it is vital that Brussels continues to seek ways to promote competition. One would be to advance the date for full liberalisation of telecommunications.

Failure to keep up the attack on monopolies will enable them to hijack the trans-European networks plan, at the expense of the rest of the economy. Truly open markets, by contrast, could render such a grand, officially-planned scheme unnecessary by stimulating service providers spontaneously to innovate, compete and collaborate across borders. Unless preceded by vigorous liberalisation, Mr Delors' blueprint for further integration will remain an empty dream.

On a wing and a prayer

Peter Norman examines the deputy governor's plans for Bank of England management restructuring

Mr Eddie George, the governor of the Bank of England, could have something concrete to celebrate to mark his first year in office on July 1.

If all goes according to plan, the Bank will have put into operation a new management structure designed to help it respond better to rapid change in global financial markets and pursue its two main objectives of monetary and financial stability.

The restructuring project has been the responsibility of Mr Rupert Pennant-Rea, the former editor of the Economist appointed deputy governor last July. Early in December, the Bank had a weekend brainstorming session about its future at Ashridge management college near London. After five months of planning in three working groups, and extensive consultation inside the Bank, Mr Pennant-Rea yesterday outlined his proposals to the Financial Times as the first details were being disclosed to Bank staff in *The Bank Fortnight*, a staff newspaper.

The planned management changes still have some hurdles to clear, including approval by the Bank's Court which advises the management on policy. Some details are still unclear, notably the proposals for a revised staffing structure. But the shake-up proposals, which insiders say will be more radical than anything seen in Threadneedle Street since 1980, are moving into a high gear. Directors will be giving presentations to the staff this week. It is hoped that the new "organogram" will be agreed by mid-May so that the Bank's operations can be grouped into two broad "wings" by July 1.

If agreed, the internal restructuring will come after a hectic two years in which the Bank has bounced back from the humiliation of Britain's forced exit from the European exchange rate mechanism in September 1992, has been able to carve out significantly greater influence over monetary and economic policy.

The Bank now produces a quarterly inflation report, which it publishes without censorship by the Treasury. It has been given discretion over the precise timing of interest rate cuts. Since earlier this month, the views of the governor and chancellor in their regular monthly meetings have been published after a short delay, giving the Bank extra clout in the debate over interest rate decisions.

The restructuring will also take effect only weeks after the Old Lady has celebrated her tercentenary. But if the changes symbolise anything, it is the emergence of a leaner, fitter and more professional Bank, reflecting Mr George's 32 years of service, his no-nonsense personality and his determined pursuit of the twin goals of lasting low inflation and a solid financial system in Britain.

The reforms will group the Bank's activities under two equally important wings: one to secure monetary stability and one to make secure the financial system. These will replace the Bank's present tangled allocation of responsibilities in which the markets area, economics, international activities, banking supervision and the banking department have all been self-contained departments or divisions.

The Bank will continue to have four executive directors below the governor and his deputy. But whereas each has run his own department until now, in future two will be responsible for the running of each wing.

At first sight, the functional responsibilities of the executive directors do not seem to change greatly. Mr Ian Plenderleith will contine to head monetary operations and Mr Mervyn King, the Bank's chief economist, will be responsible for analysis in the monetary stability wing.

In the financial stability wing, Mr Brian Quinn will be in overall charge of regulation, supervision and surveillance, with the aim of achieving what Mr Pennant-Rea calls "stability and soundness" in the financial system. There would be some tidying up of anomalies, with Mr Quinn taking control of the supervisors of wholesale money markets and gilt-edged market makers, which at present report to Mr Plenderleith.

Mr Pen Kent will be put in charge of "financial infrastructure", meaning that he would remain in charge of finance for industry, the financial markets and institutions division, and Crest, the Bank's programme for a stock exchange settlement system. The official purpose of Mr Kent's part of the wing will be to boost the efficiency and competitiveness of the UK financial sector.

The proposed restructuring is intended to bring the Bank's operational and analytical work closer together. An important motive is the wish to make the Bank more adept at spotting dangerous trends in the world economy and financial markets. As the markets become more integrated, it makes little sense for the Bank to maintain a segmented structure. The planned reorganisation also recognises that the international aspects of monetary policy and financial supervision should not be handled separately.

The Bank's international division will no longer exist as a separate entity. Such a move has been on the cards since the start of this year when there was no immediate replacement for Mr Andrew Crockett, who resigned as an executive director to take over as general manager at the Basle-based Bank for International Settlements.

However, getting rid of the international division is bound to be controversial. No other comparable central bank has shown an urge to take such a step. But Mr Pennant-Rea argued yesterday that this was necessary to ensure that the Bank's international work was "absolutely plugged into" its dual monetary and financial objectives.

In the past, international staff have tended to become detached from the main work of the Bank. With huge financial flows passing through London and more than 500 foreign banks in the City, this is something the Bank cannot afford.

In future, senior Bank people from the governor down will be directly involved in international representation, according to their subject matter or expertise. Mr King, for example, will be the Bank's key man on issues relating to economic policy co-ordination in the Group of Seven leading industrial countries and on matters relating to the European Monetary System. Mr Quinn will take the lead on international co-ordination of supervisory issues. Significantly, given past traumas for the Bank, such as the BCCI affair, the bulk of the international staff will be transferred to Mr Quinn's department.

Each of the two wings will have what Mr Pennant-Rea calls a "wing liaison function" which will "act as a lynchpin between the operations and analysis segments of the wings". The wing liaison staff, already dubbed "Wincos" by some wags after the handle-bar moustached RAF Wing Commanders of the second world War, would be crucial to cutting out duplication of effort and making the system work.

A new management layer – that of deputy director – will be created for the top five people below the executive. These, according to Mr Pennant-Rea, will be key senior appointments of people who would be expected to take on a lot of the responsibilities of the executive directors. One hope of the deputy governor is that the reorganisation will gradually alter the culture of the bank "to create a stronger sense of involvement and common purpose among the staff". That means more accountability for their actions and greater flexibility to ensure that the Bank has the right resources in the right place.

Greater flexibility is often a euphemism for downsizing. But that is not a reason for the present restructuring. The bank has been cutting staff steadily for some years, dropping to just under 4,000 from 7,500 in 1979.

Mr Pennant-Rea says: "We will be better at formulating monetary advice; better at executing the monetary policy decisions of the chancellor; better at carrying out our banking responsibilities and much better at anticipating some of the big glacial-like changes that happen in the financial world. Those are huge prizes."

But huge prizes generally involve large risks. The Bank has a blueprint for the start of its fourth century, but this will only work if it carries all its staff with it.

A vicious circle of social kindness

PERSONAL VIEW

Unemployment in the industrialised west is now clearly endemic and not cyclical as in the past. No reversal appears in prospect. At best the next few years will bring a minor rise in employment, at worst a further fall.

In the search for an explanation and cure, many old – but unsatisfactory – chestnuts are trotted out: a deep technological transformation is taking place (it always is); world trade has become too free and not fair enough (but freer trade, surely, brings greater riches?); or labour markets are too rigid and training inadequate (but did not the same apply 20 years ago?)

There may, however, be a different explanation for high unemployment in modern, redistributive democracies.

This is best illustrated with a simplified example. Imagine an economy where income comes from only two sources – profits and wages. Rents are negligible, and there is full employment. If the government wished to redistribute income in favour of wage earners, it would tax employers' profits and add the money raised to wages.

The natural response would be for employers to cut the wages they offer – and for employees to demand less. Consequently, the impact in terms of redistribution would be negligible and harmless: there would be no unemployment created and after-tax, after-subsidy incomes would remain unchanged.

But imagine that instead of transferring money, the government offered employees a basket of "social protection" – insurance against illness, unemployment, or destitution in old age. If we make the (large) assumption that collecting the tax and distributing it in the form of social protection are costless, the effect on the demand and supply of labour would depend on the difference between the cost of the package and the value attached to it by recipients.

At first sight, it would appear that employees would attach great value to social protection: reaction to proposals for curtailing benefits is usually virulent. But that is because most wage-earners are under the illusion that the greater part of the "insurance premium" is being paid by someone other than themselves.

If wage earners understood that, ultimately, the cost had to be borne out of their own wages, would they prefer to have the "social protection" on offer – or would they rather buy some private insurance, save some, and spend the rest?

The point is 'social protection' costs more than it is worth to at least some of those that it protects

There is a strong paternalistic argument for saying that wage-earners should not be given such a choice – improvidence would make many take the money and "blow it". But the important point is that "social protection" costs more than it is worth to at least some of those that it protects.

The result is that, at the margin, employment is taxed more than the subsidy is worth to workers. The two no longer cancel out and there is a net extra burden on the economy. Enterprises have to "restructure" and unemployment is born of "social protection".

Worse, a vicious circle comes into operation. The initial unemployment created by the tax-subsidy inequality increases the amount of "social protection" that has to be handed out.

That extra cost results in a further increase in the tax on employment, widening the gap between the non-wage costs of labour and the value of the benefits in kind. Demand for labour is further depressed relative to its supply, more unemployment is created and the cycle is repeated.

Under an optimistic scenario, non-cyclical unemployment would stabilise, at some point, at a level that society would have to support indefinitely. But under a pessimistic scenario the rise in unemployment would prove inexorable.

There is empirical evidence to lend weight to such a theory. Comparisons across countries show a high correlation between cyclically-corrected unemployment and "social protection" expressed as a share of national income. Unemployment in Europe, where the welfare system is more costly per head, is twice as high as in the US and many times higher than in east Asia.

Within post-Maastricht Europe, unemployment is worse in the centre than on its periphery, and the more "social" the country, the more it is plagued.

Democracies, we are told, cannot relax social protection. Are they, then, condemned to smother the young and the long-term unemployed with their caring kindness?

Anthony de Jasay

The author is a former economics don at Oxford University and wrote "Social contract, free ride" published by Oxford University Press in 1989

OBSERVER

Confederation of dunces

■ Who should carry the can for the disintegration of the former Yugoslavia? For historians of the esoteric, Karol Wojtyla – also known as John Paul II – is high on the list of suspects.

His culpability was scrutinised in London yesterday at the Royal Institute for International Affairs. The case for the prosecution is that in June 1991 His Holiness allegedly egged on Catholic Croats and Slovenes to separate themselves from Orthodox Serbs. A diplomatic campaign, partly waged through the German press, was then conducted to secure international recognition of their independence.

Nonsense, says Archbishop Jean-Louis Tauran, papal Secretary for Relations with States – foreign minister for short. John Paul II "never pressed for the disintegration" but instead "suggested democratic openings within the constitutional framework". Moreover, "in messages to all the leaders of the republics seeking independence ...the Holy See considered it desirable that a form of confederation be preserved", only changing its mind after the federal army began attacking Croat and Slovene civilians.

Up piped Misha Gavrilovic, of the Serb Information Office. Yugoslavia "was and is ... a federation". Papal calls for a *con*federation mean the Pope advocates Yugoslav dissolution. "Federation, I meant," replied Tauran, who must be hoping his next posting is not Belgrade.

Gay rights

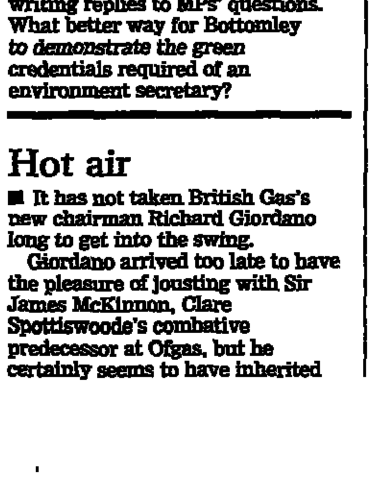
■ Were any sights in South Africa's election more touching than the spectacle of a kind young lady apparently guiding an elderly black gentleman to the polling booth?

Protective arm outstretched, she smiled proudly as he managed – without much assistance – to drop his vote in the ballot box. Such was her devotion that even hard-bitten photographers and television crews were unable to separate them.

And that is how Gay McDougall – a black American, a director of the Washington-based Southern African Programme of the Lawyers Committee for Civil Rights under the Law, and a member of South Africa's Independent Electoral Commission – appears in the frame of just about every picture taken of Nelson Mandela when he cast his vote on Wednesday.

Virgin land

■ Further evidence that Virginia Bottomley, Britain's health secretary, seeks pastures new. In what officials call a cost-cutting measure, her department now uses



both sides of the paper when writing replies to MPs' questions. What better way for Bottomley to demonstrate the green credentials required of an environment secretary?

Hot air

■ It has not taken British Gas's new chairman Richard Giordano long to get into the swing.

Giordano arrived too late to have the pleasure of jousting with Sir James McKinnon, Clare Spottiswoode's combative predecessor at Ofgas, but he certainly seems to have inherited a dose of the corporate hostility towards the man.

When a shareholder at yesterday's agm raised the subject of McKinnon's appearance on the board of rival gas company Calor, he admitted to sharing the questioner's outrage.

But then, the benefit of McKinnon's knowledge of gas would not necessarily get Calor all that far. "Some of us did not think it very high," he remarked.

Tough guys

■ British Telecom's managers do not relish losing their performance-related pay. Their union, the Society of Telecom Executives, reports outbreaks of militancy across the UK, with meetings and pay-slip burnings. Future "industrial action" not only includes pickets and the like, but boat trips, a carnival and a visit to a brewery.

Nannying

■ The Securities & Investments Board is in no danger of overestimating the *savoir faire* of its supervisory charges.

Before abolishing the two self-regulatory organisations Lautro and Fimbra when it establishes the dreaded Personal Investment Authority, it is obliged to listen to representations from all those with a lingering fondness for the supervisor they know. Two retired judges are hearing submissions, and the SIB has thoughtfully equipped participants with some "procedural guidance".

"Although the hearings are not intended to have needless formality," the blurb runs, "the appointed persons may be addressed appropriately as follows: Lord Oliver should be addressed as Lord Oliver and Dame Margaret Booth should be addressed as Dame Margaret." You don't say.

Joy less

■ New heights in sophisticated advertising have been scaled by a firm of London solicitors, Maurice Cohen & Co. Specialists in immigration law, the firm has taken a poster site directly the immigration offices in Croydon. "No Joy?" the poster asks rhetorically. It then explains that anyone having trouble should call the firm for legal advice.

Trouble is, the most notorious deportation case in the public gaze in Britain today concerns Joy Gardner, who died in December 1993 after being manhandled by police serving her with a deportation notice. The police involved have now been charged with manslaughter.

"It's not meant to be a reference to Joy Gardner," says Maurice Cohen, adding that the agency responsible for the "eye-catching" ad is called Hype.

FINANCIAL TIMES
Friday April 29 1994

Hata minority cabinet likely to continue economic deregulation

By William Dawkins in Tokyo

Mr Tsutomu Hata, Japan's new prime minister, yesterday produced a conservative-dominated minority cabinet, which is unlikely to last more than a few months.

Japan's new administration will bring little change to the former Hosokawa government's policies of economic deregulation, tax and political reform; the search for a solution to the US trade dispute; and a commitment to follow any United Nations action against North Korea, according to the new team members' first pronouncements.

The line-up is dominated by the partnership of the Japan Renewal party and the Buddhist-backed Komeito clean government party, which together hold 14 of 21 cabinet seats. Of the top jobs, the prime ministership, the chief cabinet secretary plus the finance, international trade and industry and home affairs ministries are held by Mr Hata's own JRP.

One surprise is the appointment of Mr Koji Kakizawa, who defected from the Liberal Democratic party only last week, as foreign minister, the job Mr Hata held in the last government.

Mr Kakizawa – who is respected for running the foreign ministry well as deputy to an ailing Mr Michio Watanabe, a former foreign minister – is a keen advocate of Japanese permanent membership of the United Nations Security Council.

The line-up otherwise reflects the weight of JRP and Komeito in a diminished coalition. Only five parties are represented in the new cabinet, after the walk-out of the Social Democratic party on Tuesday, over the formation of a centre-right voting bloc, called Kaishin, or Innovation. Four members of the old cabinet keep the same jobs.

Mr Hata, Japan's sixth prime minister in the past seven years, is thought likely to last even less long than his predecessor, Mr Morihiro Hosokawa, who held on for eight months.

The SDP has promised to help him put this year's budget through parliament, but says it might call a vote of no confidence afterwards. According to Japanese news reports, the SDP is about to launch an inquiry into the finances of Mr Ichiro Ozawa, Mr Hata's political mentor, deputy leader of the JRP and an influence in the birth of Kaishin.

For the time being, Mr Hata aims to bring as much normality to government as possible with the first minority administration since that of Mr Ichiro Hatoyama in 1955, and the weakest in post-war history.

With the cabinet now in place, Mr Hata's first important official task is likely to be a visit to Italy, France and Germany next week. The tour, during a a Japanese holiday period, was originally scheduled for Mr Hosokawa. It was intended to cement European relations.

On his return, Mr Hata plans to deliver his first policy speech to parliament on May 10, paving the way for debate on the budget, to beginning in mid May.

The government agreed to a stop-gap budget from the beginning of the fiscal year in April, after the opposition boycotted proceedings to put pressure on Mr Hosokawa over the financial allegations that led later to his resignation.

Final agreement on the budget will take some weeks, so most analysts expect the next round in Japan's internal political battles to take place in June.

The new cabinet, Page 4

Fed likely to continue signalling further rises in short-term interest rates

US first quarter growth slows sharply

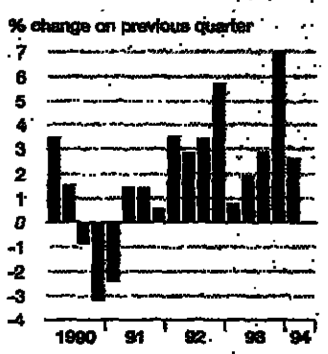
By Michael Prowse in Washington

The US economy grew at an annualised rate of 2.6 per cent in the first quarter, an unexpectedly sharp deceleration after growth reached an annual rate of 7 per cent in the final period of last year, official figures indicated yesterday.

In a separate report the Commerce Department said new orders for durable goods rose 0.4 per cent last month, the seventh rise in the past eight months.

Most Wall Street analysts had expected gross domestic product to grow at an annual rate of 3-3.5 per cent from the fourth quarter of last year. Orders were expected to rise by about 1 per cent.

The slowdown in growth mainly reflected a big increase in the trade deficit in the first quarter, an erratic decline in government spending of 6.2 per cent at an annual rate, and severe winter weather which depressed several sectors, including construction.



Source: Datastream

However, in spite of bad weather, overall private-sector spending grew at an annual rate of 4.6 per cent in real terms from the fourth quarter.

The figures are unlikely to deter the Federal Reserve from signalling further increases in short-term interest rates in coming months.

Allowing for distortions, the economy remained vigorous in the first quarter.

GDP was 3.6 per cent higher than in the first quarter of last year. Consumption and non-residential investment were up 4 per cent and 12.8 per cent respectively. Moreover, the economy grew at an average annual rate of 4.8 per cent in the fourth and first quarters combined – well above its long-run potential rate of growth.

The Clinton administration welcomed the report as evidence that the economy was not overheating. Ms Laura Tyson, the White House chief economist, said it should calm fears that "inflation is about to spike upwards". The data were consistent with her projections of 3 per cent GDP growth this year and inflation of about 3 per cent, she said.

Bond prices rose initially following the release of the report, but later declined sharply as traders focused on an apparent increase in a broad measure of inflation. The fixed weight GDP deflator increased at an annual rate of 2.9 per cent in the first quarter against 2.3 per cent at the end of last year. Share prices followed bond prices lower.

Many analysts are projecting a rebound in the growth rate in the present quarter to an annual rate of 3.5 per cent or higher, reflecting a catch-up of spending after setbacks caused by bad weather in the winter. The first quarter figures were based on incomplete data and could be revised substantially.

See Lex

S Africa forced to extend voting

Continued from Page 1

KwaZulu in Natal, where in many places polling stations had still not received sufficient ballot papers and other voting supplies by last night when voting was scheduled to end.

Polling booths in all these regions will remain open all day today to compensate for the delays.

Counting of the votes, which had been due to begin today, will now begin on Saturday. Full results are not expected until Monday, though computer projections may be available earlier.

Millions of newly printed ballots were airlifted out to remote areas in military aircraft to meet the extra demand. But party officials and foreign observers expressed unease about the adequacy of security arrangements for the distribution of the voting papers, and stressed the need for an accurate tally of both ballots delivered and votes cast in order to account for unused papers.

In most of the country, however, Wednesday's massive queues dwindled yesterday as the electoral commission managed to sort out many of the problems that had delayed voting.

Berlusconi pledges new deal for Italy

Continued from Page 1

because of serious differences over how best to avoid a conflict of interest.

When Mr Berlusconi entered politics in January at the head of his new Forza Italia movement, he made no attempt to confront the issue and has only begun to tackle it in earnest during the past 10 days.

Mr Berlusconi has also experienced serious difficulties in forging a coherent government team among his disparate partners in the Freedom Alliance. The League is fighting to ensure one of its members occupied the interior ministry, and even proposed the ministry be split in two. This has been resisted by Mr Berlusconi and President Scalfaro, a former interior minister.

Israel and PLO set date to sign

Continued from Page 1

sovereignty such as the right to issue their own stamps, travel documents and currency, and have their own international dialling code. However, both sides have said they are prepared to overlook these issues to allow next Wednesday's signing ceremony to go ahead.

Mr Christopher said the conclusion of the agreement "creates an important sense of momentum" for talks between Israel and Syria. Israeli officials hope Mr Christopher will shuttle between Damascus and Jerusalem with new Israeli proposals which focus on security issues and a three-stage Israeli withdrawal from the occupied Golan Heights over a number of years.

THE LEX COLUMN

Big boys' game

Enterprise Oil has a long way to go before convincing the market that its bid for Lasmo makes sense. None of the reasons produced yesterday by Mr Graham Hearne, Enterprise's chairman, was persuasive. He argued that Enterprise's stronger balance sheet would enable it to accelerate the exploitation of Lasmo's assets but could not give a single example of an asset which should be developed more quickly. He said Lasmo's management would not be able to deliver shareholder value but could not spell out what the company's management deficiencies were. Finally, he argued it was necessary to be one of the "big boys" to flourish in the world oil industry but was vague when pressed to elaborate on what opportunities would be missed by two smaller groups.

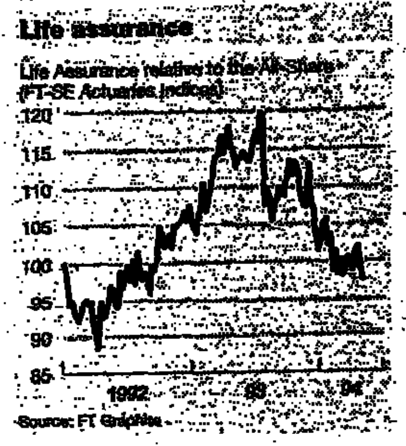
It is more difficult to quibble with the bid price. Enterprise seems to be neither underpaying nor overpaying for Lasmo's assets, though the valuation depends heavily on oil price expectations. The snag is that Lasmo shareholders are unlikely to sell at the offer price, which was worth just over 140p last night, following the slide in Enterprise's share price. But Enterprise shareholders would not benefit if Mr Hearne was then tempted to increase the bid and so overpaid for his rival.

Enterprise will not escape from this bind unless it can produce better arguments showing there is value in putting the two companies together. In their absence, shareholders will conclude that Mr Hearne has been swept away by his ambition to sit at the same table as the likes of BP and Mobil. They would then see no point in swapping shares in two smaller groups for a stake in a big boy.

Life assurance

The stock market was quick to appreciate the danger last summer when the Treasury told life assurance companies to stop stalling over commission disclosure. The sector has since underperformed by 20 per cent. Research by the Securities and Investments Board suggests this was not an over-reaction. The anticipated 10 per cent drop in sales as a result of disclosure would be a sharp reversal of fortune from the boom years of the 1980s. Since the UK already spends more on life assurance in relation to national income than any other OECD country, a bounce in sales thereafter cannot be taken for granted.

FT-SE Index: 3129.9 (-20.1)



Source: FT Graphite

The pain will not be spread evenly. Companies with low expenses and distribution costs might actually benefit in the longer term. The new rules may thus contribute to the onward march of bancassurance. With almost 200 life companies serving a working population of 25m, rationalisation is overdue. But the £1bn annual cost-saving predicted by SIB's research will only be delivered if commissions actually fall. That will not happen if consumers simply buy less life insurance. For market forces to have the desired effect, they also need to use the additional information to shop around.

Both SIB and the Personal Investments Authority – should it get off the ground – are reluctant to regulate commissions directly. Under current legislation they may not have the authority to do so. Unless disclosure brings about a real reduction in costs and commissions, though, the argument in favour of the direct approach will be greatly strengthened.

US economy

After a first quarter disrupted by storm and earthquake it was anybody's guess where the US growth rate was going to settle. At first glance, yesterday's figure of 2.6 per cent looks on the low side, but there is little in the detail to deflect the Federal Reserve from further tightening.

Admittedly first-quarter growth was fuelled by a build-up of inventories, especially in the auto sector. That may not last. Net exports are a drag, but that reflects economic weakness abroad. At home, consumer demand remains quite strong. The slowdown in residential construction was almost certainly weather-related. If one assumes government spending will recover in the second quarter as it did last year, the growth rate could easily snap back over 3 per cent. On top of that the GDP deflator is now back at 2.6 per cent.

Small wonder the bond market turned down as it digested the figures. With the long bond yield having fallen back to around 7.1 per cent, the recent rally was due for a correction anyway. More striking is that the prospect of higher short-term interest rates did nothing to revive the dollar. The US current account deficit and capital outflows as US investors diversify their portfolios combine to hold it back. Currency investors who started the year long must be losing heart. If they sell, the dollar could fall further. That would only worry the bond market more.

TeleWest

Woody Allen once described a stockbroker as someone who invested your money until it had all gone. Cable television companies promise to do much the same. The streetwise investor should recoil in horror at any company which starts pontificating about the definition of profit on being asked when it will first make one. TeleWest, which is seeking some £300m from a flotation, conjures up any number of theoretical answers.

The proposition is that cable companies can be given a stock market worth on the basis of the net present value of future cash flows. Similar theories have been used to justify the flotations of other enterprises, such as biotechnology stocks, Eurotunnel and Vodafone. It is perhaps in the nature of such investments that immense initial scepticism is followed by frantic buying at the first whiff of profit.

UK cable companies could prove especially attractive given their rare ability to combine both telephone and television services. The costs of building networks are substantially higher than in the US but then so are the possible revenue streams. There are big and largely unquantifiable risks. If BT were ever unchained, it could wreck the industry almost overnight. But TeleWest, at least, may be conservatively valued to discount most risks and attract supporters. Its giant US parents hardly need the cash. Their chief consideration seems political. A quoted UK company should have more influence in the regulatory debate than distant US corporations.

FT WEATHER GUIDE

Europe today

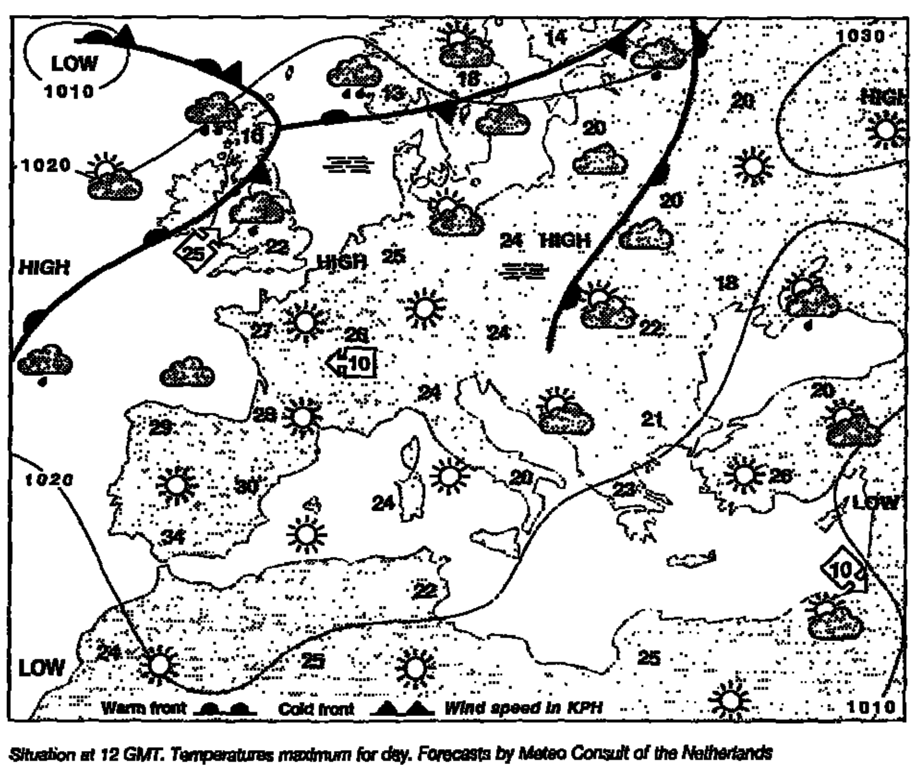
Extensive high pressure over Germany will bring summer-like temperatures to large parts of the continent. Most western European countries will be mainly sunny and dry. Clouds and rain will mark the boundary with cooler air from the Atlantic. This zone will start over the British Isles and Scandinavia and move towards the North Sea later.

An unstable air mass will cause isolated showers over south-eastern Europe, where temperatures will be lower for a short time. The highest temperatures will be found in southern Spain where readings will reach 35C in places.

Five-day forecast

Temperature contrasts will increase during the weekend, with much cooler air arriving from the North Sea. This will further increase the difference between readings over northern and southern France.

As a result, thunder showers will increase over south-west Europe. After the weekend, warmer air should re-establish itself over north-west Europe. The eastern Mediterranean will gradually become settled with the exception of Turkey, where rain can be expected later on.



Situation at 12 GMT. Temperatures maximum for day. Forecasts by Meteo Consult of the Netherlands

TODAY'S TEMPERATURES

	Maximum Celsius																
			Beijing	fair	27	Caracas	cloudy	29	Edinburgh	cloudy	18	Madrid	sun	31	Rangoon	cloudy	37
			Belfast	rain	16	Cardiff	cloudy	20	Faro	sun	28	Majorca	sun	25	Reykjavik	fair	6
Abu Dhabi	sun	36	Belgrade	shower	23	Casablanca	sun	24	Frankfurt	fair	28	Malta	fair	22	Rio	fair	31
Accra	thund	32	Berlin	fair	26	Chicago	sun	16	Geneva	sun	24	Manchester	cloudy	20	Rome	fair	22
Algiers	fair	23	Bermuda	fair	26	Cologne	fair	27	Gibraltar	sun	22	Manila	cloudy	34	S. Frsco	fair	18
Amsterdam	fair	20	Bogota	shower	18	D' Salaam	fair	26	Glasgow	rain	15	Melbourne	sun	23	Seoul	cloudy	26
Athens	fair	23	Bombay	sun	32	Dakar	sun	25	Hamburg	cloudy	22	Mexico City	fair	28	Singapore	shower	32
Atlanta	fair	29	Brussels	sun	23	Dallas	cloudy	25	Helsinki	cloudy	17	Miami	fair	29	Stockholm	fair	21
B. Aires	cloudy	20	Budapest	fair	24	Delhi	sun	36	Hong Kong	cloudy	32	Milan	sun	26	Strasbourg	fair	27
B.ham	cloudy	22	C.hagen	cloudy	18	Dubai	sun	40	Honolulu	cloudy	28	Montreal	shower	8	Sydney	sun	22
Bangkok	cloudy	36	Cairo	sun	31	Dublin	rain	17	Istanbul	fair	18	Moscow	fair	21	Tangier	sun	25
Barcelona	sun	23	Cape Town	fair	19	Dubrovnik	sun	22	Jersey	fair	18	Munich	fair	25	Tel Aviv	sun	28
									Karachi	sun	34	Nairobi	fair	26	Tokyo	cloudy	22
									Kuwait	sun	34	Naples	sun	23	Toronto	shower	13
									L. Angeles	fair	21	Nassau	cloudy	28	Vancouver	fair	17
									Las Palmas	fair	27	New York	shower	14	Venice	sun	24
									Lima	fair	26	Nice	sun	20	Vienna	sun	25
									Lisbon	sun	30	Nicosia	fair	26	Warsaw	fair	23
									London	fair	23	Oslo	cloudy	19	Washington	cloudy	24
									Lux.bourg	sun	26	Paris	sun	26	Wellington	rain	16
									Lyon	sun	28	Perth	cloudy	26	Winnipeg	sun	8
									Madeira	fair	24	Prague	fair	25	Zurich	fair	25

مكبرا من الاصل

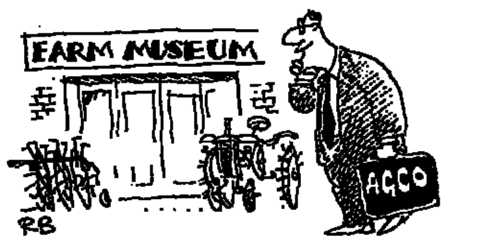
FINANCIAL TIMES
COMPANIES & MARKETS
Friday April 29 1994

IN BRIEF

Christiania Bank advances 79%

Christiania Bank, Norway's second biggest bank, yesterday reported a rise in first-quarter net profit to NKr375m ($51m) from NKr209m last year. It said the advance was primarily due to a lower level of loan losses and a NKr250m gain from the disposal of the bank's 47 per cent interest in Norsk Skibs Hypothekbank. Page 18

Agco spots another piece of heritage



The three-year-old farm equipment manufacturer and distributor based near Atlanta, is again buying the remains of a vintage equipment manufacturer. This time it is Massey Ferguson and its remaining European operation assets, for $328m. Page 20

Catastrophe losses hit insurers
American International Group, the large US insurer, has reported modest growth in first-quarter profits, in spite of a jump in catastrophe losses to $55m from $7.8m a year ago. Income in the quarter totalled $505.6m. All losses related to the January earthquake in southern California. USF&G, another big insurer, also reported higher catastrophe losses in its quarterly results, $40m in total, $10m related to the earthquake. Page 20

Samsung buys Nissan technology
Samsung Heavy Industries has signed a contract to import car technology from Nissan Motor of Japan as part of its plan to become South Korea's fifth passenger car manufacturer. Page 21

Gerrard & National shares rise 39p
Shares in Gerrard & National, the UK discount house and financial services group, rose 39p to 448p after the company announced better-than-expected annual profits and the buy-out of the minority shareholders in GNI Holdings, its derivatives broker and fund manager. Page 23

Airtours acquires SAS Leisure
Airtours, the UK holiday group, yesterday announced it was buying SAS Leisure, Scandinavia's largest tour operator, from Scandinavian Airlines System for £74m. It is also buying a 752-berth ship from Closter Cruise, of Norway. It has launched an £82m rights issue to help fund the purchases. Page 24

Stanhope announces lower losses
Stanhope Properties, the UK development and investment company which jointly owns the Broadgate development, announced lower interim losses of £9.3m, against £15.4m. Turnover for the six months to December 31 fell from £27.5m to £17.1m. Page 25

Companies in this issue

Market Statistics

Chief price changes yesterday

FRANKFURT (DM)				**Rises**			
Rises				BIC	1349	+	39
Goldschmidt TH	627	+	17	Intertechnique	883	+	43
Leifheit	845	+	20	Orsan	239	+	19
Linde	980	+	18	Pinault Printem	1029	+	39
Falls				Vallourec	327	+	12
Colonia Konzern	1320	–	30	**Falls**			
Degussa	542	–	11.5	Essilor Int	735	–	23
Zanders Feinpap	235	–	10	**TOKYO (Yen)**			
NEW YORK ($)				**Rises**			
Rises				Ensuiko Sugar	1630	+	200
Cons Freight	26⅝	+	1⅛	ISE Chemicals	1020	+	99
Delta	44¾	+	1¾	Tokyo Tekko	1200	+	100
Roadway Service	69¾	+	2	Tomoe	1200	+	100
Falls				Toyo Takasago	550	+	50
Caterpillar	109⅝	–	1⅛	**Falls**			
Deere	77⅝	–	1	Matsuya	665	–	45
IBM	57⅝	–	1⅛				
PARIS (FFr)							

New York prices at 12.30pm.

LONDON (Pence)				Utd Friendly B	535	+	20
Rises				VTR	168	+	20
Adscene	305	+	18	**Falls**			
Bakyrchik	340	+	18	Airtours	424	–	24
Berry Birch	135	+	17	British Gas	280	–	15
Border TV	180	+	10	Buckingham	4	–	1½
Brit Bio-Tech	411	+	26	David Brown	283	–	23
Bucknall	33½	+	3	Enterprise Oil	424	–	21
Eurotherm	414	+	13	ICI	831	–	22
Eurotunnel Uts	504	+	19	Monarch Res	290	–	11
Gerrard & Nat	448	+	39	Shiloh	165	–	11
High-Point	63	+	5				
Huntleprint	25½	+	2½				
Johnson Fry	283	+	13				
Ramsden's (H)	258	+	11				

Mystery of 5% purchase in Swissair

By Paul Betts and Ian Rodger in Zurich

A British bank has accumulated a 5 per cent stake in Swissair, Switzerland's flag carrier, worth nearly SFr100m ($70m), on behalf of what Swissair calls "mystery investors".

The accumulation of the block of shares comes at a time when Swissair is warning that its longer term future is in jeopardy because of Switzerland's isolation from the European Union.

Mr Otto Loepfe, chief executive, told the group's annual press conference yesterday: "In the end, it may well be Switzerland's integration into, or isolation from, the European Union that determines our own corporate survival."

Switzerland's decision in December 1992 to stay outside of the European Economic Area means that Swissair cannot take advantage of the new liberalised single European airline market.

Mr Loepfe denied that British Airways was the mystery buyer of the shares. Mr Peter Nydegger, finance director, conceded that the airline was "not very comfortable" with the purchases.

Swissair restricts any single shareholder to 3 per cent of the votes. Also, non-Swiss citizens may not hold more than 40 per cent in aggregate, and nominees may not vote.

The airline, which has already reported a 48 per cent decline in 1993 net income to SFr59m and passed its annual dividend, has seen its registered shares tumble from a peak of SFr1,176 in 1989 to a low of SFr420 last December. They have since recovered to the SFr785 level.

The group, which said its flight operations were improving but would continue losing money in 1994 for the fifth consecutive year, is still struggling to develop a strategy for long term survival.

Following the collapse last November of its planned merger with Scandinavian Airlines System, KLM Royal Dutch Airlines and Austrian Airlines, Swissair said it was seeking to intensify its commercial links with SAS and Austrian in Europe and with Delta Air Lines and Singapore Airlines in the long-haul market.

The group, which has more than SFr2bn in liquid reserves, has concentrated on expanding its non-flight business in the EU. It is in negotiations to acquire SAS's airline catering operations to turn its own catering arm into the world's third largest.

A senior Swissair executive said yesterday that if the airline failed to build up a strong network of international partnerships, its only option in the longer term would be to link up with one of Europe's large carriers.

Air France, Page 18

GM more than triples net profits in first quarter

By Kevin Done, Motor Industry Correspondent

General Motors of the US, the world's largest vehicle maker, more than tripled its net profit in the first quarter to $1.6bn (excluding one-off charges) from $513m in the same quarter a year ago.

Net income totalled $854m, however, after a $758m charge for a change in accounting rules for the cost of benefits to former or laid-off employees. GM turnover rose by 8.5 per cent to $37.5bn ($34.6bn).

The group, which is recovering from three years of heavy losses between 1990 and 1992, remains the highest-cost vehicle maker in the US behind Chrysler and Ford.

Its financial performance is improving. Mr Jack Smith, who was appointed GM chief executive in November 1992 following a boardroom coup, said the group's performance in the first quarter had been "strong, reflecting continued cost-reduction efforts, improved productivity and a strong vehicle market".

He said implementation of the plan to rebuild GM's financial strength was "progressing well, but we also realise that we are not finished". GM accumulated net losses of $29.9bn in the three years from 1990-92 and recovered to a net profit of $2.5bn last year.

The GM workforce was cut to 688,000 in the first quarter 1994 from 732,000 a year ago.

The group's battered North American automotive operations achieved a net profit of $511m, before one-off charges, in the first quarter, a $681m turnround from a loss of $170m a year ago. After a $708m charge for accounting changes it still suffered a net loss of $197m, however.

Mr Smith said that the North American automotive operations were key to rebuilding the balance sheet. They were still on track to profitability at the net income level in the whole of 1994.

GM retail sales of cars and light trucks in the US jumped by 19.6 per cent in the first quarter in a market which rose by 18.3 per cent.

It has stopped the erosion of its US market share and boosted its US vehicle market share in the first quarter to 33.5 per cent from 33.1 per cent a year ago. Its wholesale vehicle sales in North America rose by 6.5 per cent to 1,438,000, while its wholesale sales worldwide rose by 5 per cent to 2.08m.

GM, which is the most profitable carmaker in Europe, increased its profits significantly in its international operations to $425m in the first quarter from $141m in the corresponding period a year ago.

Profits were more than doubled year-on-year both in Europe and in Latin America.

BASF bolsters hopes for chemicals sector

By Michael Lindemann in Bonn

First-quarter pre-tax profits at BASF, one of the big three German chemical groups, rose 46.6 per cent to DM349m ($205m), bolstering hopes that the European chemical industry is pulling out of a cyclical recession.

However, Mr Jürgen Strube, chief executive, said he was "not satisfied" given the poor performance in the comparable period a year ago.

BASF is the last of the big three to report first-quarter results. Hoechst saw pre-tax profits rise 16 per cent to DM506m while Bayer reported a 18 per cent rise to DM755m.

Mr Strube said rising demand and cost-cutting would enable the company to meet its profit forecasts for 1994. "We will continue our efforts to examine all costs with a view to further lowering fixed costs and improving the organisation," Mr Strube said.

BASF pre-tax profits totalled DM1.06bn in 1993. Foreign sales rose 5 per cent to DM7.6bn while domestic demand fell 6.4 per cent to DM3bn. Group turnover rose 2.1 per cent to DM11.27bn while turnover at the parent company rose 5.1 per cent to DM4.7bn.

BASF is more dependent on oil prices than Hoechst or Bayer and said that while demand in Germany was picking up, the 3.4 per cent fall in first-quarter turnover was due to falling oil prices.

Higher returns on gas trading could not compensate for lower oil prices, the company said.

Sales of synthetics and fibres rose 10.6 per cent and the chemicals division was "positive" with turnover up 10.5 per cent. Demand for agricultural products fell 15.5 per cent.

BASF said investment in 1994 would be reduced to DM3.2bn and would be focused more on Asian markets. It shed 2,495 jobs in the quarter, reducing the workforce to 112,020.

It said its foam plastics and polyurethane were developing "especially well" and had been extended following the March takeover of European polypropylene division of ICI of the UK.

Delta to lose up to 15,000 jobs in cost cuts

By Richard Tomkins in New York

Delta Air Lines, the third biggest player in the US airline industry, has unveiled plans to cut between 12,000 and 15,000 jobs from its workforce of 73,000 in the next three years in an attempt to restore profitability.

It said the jobs would go as part of a restructuring that would cut $2bn a year from operating costs by mid-1997 and enable the airline to fight back against low-cost carriers such as Southwest Airlines.

It described the changes as the most important in its history.

Like other US airlines, Delta has been hit by tough competition and low fares in its domestic market.

It accompanied yesterday's restructuring announcement with figures showing it had lost $77.9m after tax in the quarter to March.

Although this figure was a turnaround on the comparable period's $152.3m net loss, the previous year's figure included an $82.5m pre-tax charge relating to a fleet rationalisation, and much of the rest of the improvement was due to a 10 per cent fall in fuel costs.

Some industry observers had suggested that Delta would follow United Airlines' example by setting up a low-cost, no-frills operation to take on its short-haul routes, buying employees' co-operation by giving them an equity stake in the airline. Instead, Delta has opted for a less radical plan to leave it much the same as now, but with a more competitive cost structure – although Mr Ron Allen, chairman, wants to provide services in high-density short-haul markets through joint ventures with one or more other parties.

Mr Allen said Delta's goal was to reduce costs per available seat mile from 9.26 cents last year to 7.5 cents by 1997. That figure would be almost on a par with Southwest's 7.2 cents.

Delta has already shed more than 7,400 jobs since June 1992, and last February it cut employees' pay by 5 per cent. Of its workforce, only the 8,500 pilots belong to a labour union, so it has largely avoided labour strife.

Cost-saving measures will include a complete re-examination of the company's hub-and-spoke routes operation to see if it can be made more efficient. Many ground staff functions will be contracted out, and staffing levels of on-board services will be re-examined.

TeleWest lines up share offer

By Paul Taylor in London

TeleWest, the largest cable television operator in Britain, yesterday confirmed plans for a global share offering this summer which is likely to place a value of about £1.7bn ($2.48bn) on the fast growing company.

The flotation, which had been widely expected, will be the first by a UK cable group and highlights the sharply improved economics of companies combining cable television and telephone service on one network.

Under the proposals outlined yesterday new shares representing about an 18 per cent stake fully diluted in the expanded capital of TeleWest will be sold through a placing and intermediaries offer on both sides of the Atlantic. The placing is expected to raise about £300m in new funds to continue building the group's franchise cable network.

TeleWest – a joint venture between TCI of Denver, the world's largest cable operator, and US West, the American telephone company – expects to spend £1.25bn by the end of 1998.

It owns and operates 16 cable franchises and has minority equity interests in three other companies which own and operate another seven cable franchises.

TeleWest intends to seek a full listing for its shares on the London Stock Exchange and a registration of American Depository Shares on the Nasdaq.

A pathfinder prospectus is expected to be published in June and will be followed by a three-week "roadshow" presentation to institutions in Europe and the US. The shares will be priced towards the end of June. Kleinwort Benson Securities and Goldman Sachs International are acting as joint global co-ordinators.

Lex, Page 16

Combined oil and gas group valued at more than £3bn

Fergus Wilde
Graham Hearne, Enterprise chairman and chief executive, with Andrew Shilston, finance director

Enterprise launches hostile bid for Lasmo

By Peggy Hollinger in London

Enterprise Oil yesterday launched a £1.45bn ($2.1bn) hostile takeover bid for UK rival explorer Lasmo. If successful, the offer would bring together the UK's two largest independent oil and gas explorers into a single group valued at more than £3bn.

The offer is the largest hostile bid in the UK since BTR's £1.47bn offer for Hawker Siddeley in 1991. If Lasmo shareholders accept the all-paper offer, the enlarged company would rank fourth among North Sea explorers, after British Petroleum, Shell and Exxon.

Enterprise virtually ruled out any prospect of a cash sweetener. "I do not see any need for it," said Mr Graham Hearne, chairman and chief executive. The group's policy was to pay for big acquisitions with paper, he added.

Mr Hearne said Enterprise's strong cash generation over the next few years – following the completion of the Nelson and Scott fields – would meet Lasmo's need for funds to bring its exploration opportunities on stream. He rejected suggestions that Lasmo's recent £219m rights issue was enough to fund the loss-making company's future needs.

Lasmo, however, attacked the bid as a "contrived paper offer ... which would dilute significant growth potential for shareholders". Mr Joe Darby, chief executive, said the combination of the two companies "would add no value for shareholders".

Financial markets appeared initially to support his view. Enterprise's shares closed down 21p at 425p, while Lasmo fell 5½p at 157p.

"This bid is good for neither Lasmo shareholders nor Enterprise shareholders," said Mr David Basham, a Kleinwort Benson oil analyst. "By 1996, they will have to find 164m barrels every year just to keep their reserve base stable."

The offer comprises, for every 80 Lasmo shares:

- 27 Enterprise A shares which will convert to ordinary shares on 1997 and will carry a 3p annual dividend between 1994 and 1997. This is equivalent to the dividend which Lasmo indicated it would pay in those year when it launched its recent rights issue, plus
- 12 Enterprise warrants exercisable between 1997 and 2001 at 407p.

Enterprise says this values Lasmo shares at 150p, based on the A share price of 407p and a warrant price of 86p.

Lex, Page 16; Details, Page 23

SKF returns to profit as European markets recover

By Christopher Brown-Humes in Stockholm

SKF, the world's leading maker of roller bearings, showed a strong upward trend yesterday when it announced a SKr661m ($83.7m) turnround in the first quarter.

It said the SKr306m surplus, after losses of SKr355m a year ago, was helped by clear evidence of recovery in leading European markets.

Mr Mauritz Sahlin, managing director, said: "The recovery in the European economy means that SKF's most important market is now on the way up again after four years of decline."

He said the group expected a full-year profit of about SKr1bn, compared with the SKr669m deficit last year.

The 12 per cent rise in group sales to SKr8.05bn was driven by a 10 per cent increase in volumes. The upturn was particularly apparent in Europe, but the group noted that its North American businesses continued to perform well.

Sales to Europe rose faster than the market, consolidating the company's leading position. The automotive industry, its most important segment, accounted for a big portion of the increased volumes, with sales to Italy, Germany, Spain and Sweden all rising strongly.

Both the group's main businesses, Seals and Bearings and Ovako Steel, returned to the black. For Ovako, the special steels unit, it was the first quarterly profit since 1989.

Seals and Bearings produced a SKr274m surplus, swinging from a loss of SKr250m. This was after sales expanded to SKr7.46bn from SKr6.69bn.

Ovako achieved a SKr35m profit on sales of SKr929m. This compares with a loss of SKr109m in the first quarter of 1993 on sales of SKr724m.

Ovako has benefited from rationalisation, higher volumes and favourable currency factors. However, SKF has made it clear that it does not consider Ovako a core operation, and its improved financial performance may facilitate a sell-off.

SKF intends to start production in China, partly to meet the expected growth in demand for ball bearings from the country's car industry.

Sterling's strength slows ICI progress

By Daniel Green in London

Rising sales volumes and restructuring benefits helped ICI post first-quarter pre-tax profits of £93m ($140m), compared with £71m for the first quarter of 1993.

The gain would have been at least £10m higher but for sterling's strength and selling prices unchanged on the first quarter of 1993, according to Mr Alan Spall, ICI's finance director.

Sales rose to £2.15bn from £2.08bn, with half the gain coming from higher volumes, said Sir Denys Henderson, chairman.

Strong cash flow cut gearing during the quarter to 11 per cent and helped earnings per share rise to 6.1p from 5p.

Within the main divisions, trading profits at paints were unchanged at £17m with cold weather in the US offsetting higher earnings in the Asia Pacific region.

In materials, trading profits more than doubled to £19m from £8m, mainly the result of cost reduction and the contribution of the acrylics business acquired in July 1993. Higher volumes were offset by lower selling prices, mainly in Europe.

In explosives, where the company has a strong position in the car airbag market, trading profit was £12m against £3m, the increase primarily the result of the acquisition of AECI Explosives of South Africa.

Mr Ronnie Hampel, chief executive, said further disposals were likely as ICI reorganised in the wake of the demerger last summer from drugs groups Zeneca.

The extent of the disposals and demerger in the past year was visible in unadjusted first-quarter figures. Pre-tax profits fell to £103m from £229m and earnings per share fell to 6.9p from 20.6p. The company continued to change its culture in the wake of the demerger from Zeneca, said Mr Hampel.

The results were in the middle of the range of City expectations and concern over the inability to raise prices left the shares down 22p at 831p.

Air France predicts FFr3.7bn loss

By John Ridding in Paris

Air France plans to limit losses to FFr3.7bn ($627m) in the financial year, a sharp reduction from the FFr8.48bn deficit suffered in 1993, Mr Christian Blanc, chairman, said yesterday.

The state-owned airline is changing its reporting period to bring it into line with other members of the International Air Transport Association.

The predicted FFr3.7bn loss will therefore cover the period from January 1 this year to the end of March 1995.

The prediction followed confirmation of a sharp deterioration in the airline's results for last year.

The company said "1993 was the darkest year for Air France". The downturn was blamed on several factors, including overcapacity in the airline industry, the impact of recession and the effects of damaging strikes last October.

Turnover declined by 3.6 per cent to FFr55.16bn, with the main air transport business shrinking by about 6 per cent to FFr42.71bn.

Passenger traffic was flat compared with 1992 while freight traffic fell by about 4.1 per cent. Financial charges rose by more than 60 per cent to FFr3.51bn and there was a FFr1.8bn charge taken for restructuring measures.

The expected improvement in results this year is to be achieved partly through the implementation of a recovery package and, to a lesser extent, through improved market conditions.

Mr Blanc has won approval from the airline's 40,000 staff for a package of measures which include 5,000 job cuts, a freeze on wages and promotions and a reorganisation of the group structure.

Christian Blanc: won approval for job cuts and wage freeze

The airline has also been pledged a FFr20bn capital injection from the French government over the next three years which will ease its debt burden.

Air France said that passenger traffic had increased in the first quarter of the year, rising by 19.9 per cent over the same period in 1993.

In March, the number of passengers rose by 23 per cent and the rate of occupancy of Air France aircraft rose by almost 10 percentage points to 74.9 per cent.

However, the increase in passengers has largely been achieved by price-cutting measures aimed at winning back passengers after last October's strikes. As a result, the increases have not yet fed through into higher profits.

The airline suffered a further blow this week with the decision by the European Commission to order the French government to allow competition on three routes serving Orly airport in Paris.

Guinness to change Bell's blend

By Tony Jackson in London

Drinkers of Bell's whisky, Britain's favourite Scotch, are about to be made an offer they cannot refuse. Their familiar tipple, which holds 20 per cent of the market, will vanish from the shelves. In its place will come an older, smoother, classier version, with all its constituent whiskies guaranteed at least eight years old. The price – to begin with, anyway – will remain the same.

Opinion is divided on whether this represents a fresh outbreak of price warfare in the beleaguered whisky trade, or a rather neat marketing gimmick. Discounting and special offers have been rife in the industry over the past 18 months. Guinness, which owns Bell's, saw a slight fall in its spirits' profits last year. Highland Distillers, owner of the number two UK brand Famous Grouse, with 14 per cent of the market, claims to have been the only producer not to have cut its prices.

On the other hand, it is unclear how much of the whisky in the Bell's blend is less than eight years old at present. Guinness said: "The product has been changed very, very marginally."

Industry analysts were inclined to agree. Ms Michelle Proud, drinks analyst at NatWest Markets, said: "I understand the extra cost of the whisky is pretty marginal."

However, the new whisky is claimed by Guinness to taste somewhat different from the old, being designed to retain the loyalty of existing Bell's drinkers while appealing to a wider market. If successful, it will allow Guinness to increase prices, since the maintained price is only an introductory offer.

Behind the launch is a concerted effort by Guinness to rejuvenate the Scotch market on both sides of the Atlantic. The US and UK are the two largest mature markets for the product.

Soap war of words intensifies

By Tony Jackson

The war of words between the world's two leading detergents companies hotted up yesterday, as Unilever accused Procter & Gamble of "sour grapes" in its attacks on Unilever's new concentrated detergents. The products, presently being launched across Europe under such brand names as Persil and Omo, were claimed by Procter two days ago to damage clothing.

The argument centres on the catalyst developed by Unilever for the new products, dubbed the Accelerator. Containing manganese, the catalyst is claimed to permit faster washing at lower temperatures.

Procter said: "Our own experience of the manganese Accelerator is that it causes abnormal fabric damage. Our own initial testing of the Lever Accelerator products caused us to raise serious concerns with Unilever . . . We subsequently requested independent institutes to run fabric safety testing [of the products]."

Procter said it was worried that because fabric damage was progressive, and consumers switched brands, Procter products could be blamed for damage.

Unilever confirmed that meetings had taken place with Procter but said it could not confirm Procter's findings. Unilever offered a joint approach to an independent institute to test the results, but Procter had refused. A Unilever spokesman said: "I can only assume they wanted to find a way of scuppering [our products]. They suggested to us we stop the launch. You can imagine what response they got."

Unilever said although attempts to use manganese in detergents went back many years, only 10 per cent to 15 per cent of the catalyst consisted of the chemical. Rather than causing unusual damage to fabrics, a Unilever scientist said, the new detergents should preserve them longer.

Ballast Nedam flotation to raise Fl 259m

By Ronald van de Krol in Amsterdam

Ballast Nedam, the Dutch construction group which was sold last year by British Aerospace, is to be partially floated on the Amsterdam stock exchange next month in a transaction worth at least Fl 259m ($136m).

ING Group, which bought the company for Fl 500m in December as part of a consortium that includes German construction group Hochtief, is to sell 3.7m convertible cumulative preference shares at a price of between Fl 70 and Fl 75 each.

The shares, worth up to Fl 277.5m at these prices, represent 37 per cent of Ballast Nedam's share capital of 10m shares, divided between 4.7m cumulative preference shares and 5.3m ordinary shares.

The shares on offer are all part of ING's large minority holding. Besides Hochtief, which holds 48 per cent, other shareholders include Ballast Nedam's pension fund.

The underwriting syndicate, led by ING Bank, may sell an additional 450,000 cumulative preference shares if demand permits.

BNL elects chiefs to pilot sell-off

By Andrew Hill in Milan

Shareholders in Banca Nazionale del Lavoro, the Italian Treasury-controlled bank, yesterday elected a new chairman and managing director to pilot the group into the private sector.

Mr Mario Sarcinelli, former director-general of the Treasury and vice-president of the European Bank for Reconstruction and Development, is to be chairman. Mr Gino Trombi, managing director of Banco Ambrosiano Veneto, will join him as one of two managing directors.

The Treasury, which owns just under 55 per cent of the group, yesterday promised Mr Sarcinelli and Mr Trombi its "full support . . . in completing the restructuring and strategic repositioning of the group".

However, Mr Sarcinelli admitted after yesterday's shareholder meeting in Rome that preparing BNL for privatisation would not be an easy task.

The sell-off would have to be confirmed by a new Treasury minister, and BNL would need to be recapitalised before a sale can take place, he said.

As if to underline the difficulties, Mr Davide Croff, the group's other managing director, warned yesterday that 1994 would be a difficult year for BNL, partly because of the delayed impact of bad debts caused by the recession.

Christiania Bank advances 79%

By Karen Fossli in Oslo

Christiania Bank, Norway's second biggest bank, yesterday reported a rise in first-quarter net profit to NKr375m ($51m) from NKr209m in the same period last year.

It attributed the advance primarily to a lower level of loan losses and a NKr250m gain from the disposal of the bank's 47 per cent interest in Norsk Skibs Hypothekbank.

Net interest income fell slightly to NKr744m from NKr779m while non-interest income declined to NKr595m from NKr699m.

Non-interest income was affected by losses of NKr155m on bonds and certificates – against a gain of NKr169m in last year's first quarter – as a result of interest rate upheaval.

Non-interest expenses rose to NKr771m from NKr695m due to allocations of NKr14m to the Commercial Banks' Guarantee Fund and NKr20m associated with the takeover of branches in the west coast city of Bergen previously owned by Fokus Bank, Norway's third biggest commercial bank.

Operating profit, before loan losses, fell to NKr569m from NKr724m, while provisions for losses on loans and guarantees were cut sharply to NKr191m from NKr504m. Credit losses in the retail market were low but losses on loans to the fisheries sector were a burden, it said.

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INTERNATIONAL COMPANIES AND FINANCE

UAL halves first-quarter losses

By Richard Tomkins in New York

United Airlines, the world's biggest airline, almost halved its losses in the first quarter but warned that it still could not compete effectively with low-cost carriers in the US domestic market.

Net losses in the quarter to March were $71m – excluding the effect of an accounting change – a 49 per cent fall from the comparable period's $138m net loss before extraordinary items. Losses per share, excluding unusual items, were down from $5.92 to $3.31.

Revenues rose from $3.05bn to $3.19bn, while operating losses fell from $121m to $36m.

Mr Stephen Wolf, chairman and chief executive, said the results were still far from satisfactory in spite of the significant improvement. He blamed lower passenger yields, brought about by the proliferation of reduced fares that had accompanied the expansion of low-cost carriers.

"With our high cost structures, we are unable to compete effectively in these markets," Mr Wolf said.

United is awaiting shareholder approval for a radical plan to give employees a controlling stake in the airline in return for wage cuts and productivity improvements worth $4.9bn in today's money over the next 12 years.

Unlike the restructuring unveiled by Delta yesterday, United's plan also envisages setting up a low-cost "airline within an airline" to compete head-on with low-cost carriers like Southwest Airlines on short-haul routes.

Mr Wolf said the plan would "substantially and permanently" lower United's labour costs. If it had been in place during the first quarter, the airline's labour costs would have been $105m lower.

In fact, United's cost per available seat mile – the standard measure of competitiveness in the industry – rose from 8.83 cents to 9.04 cents in the first quarter. That compares with a figure of 7.2 cents for Southwest and the target figure of 7.5 cents announced by Delta yesterday.

● Trans World Airlines, the US carrier that emerged from bankruptcy protection in November, reduced net losses from $476.5m to $122.4m in the first quarter. The previous year's figure, however, included a one-time charge of $300m relating to pension obligations. Operating losses fell from $93.4m to $79.6m.

Eastern says it may fly again

By Richard Tomkins

Eastern Airlines, the defunct carrier that was once one of the biggest US airlines, yesterday said it was considering an attempt to emerge from bankruptcy and start flying again.

Mr Martin Shugrue, court-appointed trustee of the company under Chapter 11 of the US bankruptcy code, said he and his advisers were investigating the possibility of re-starting the airline as an alternative to proceeding with the liquidation of its remaining assets.

Eastern went into Chapter 11 in March 1989 amid a battle between its unions and its then chairman, Mr Frank Lorenzo, whose Texas Air holding company also owned Continental Airlines. It kept flying while Mr Lorenzo attempted to put together a rescue plan.

When he failed, Mr Shugrue – a former vice-chairman and chief operating officer of the now-defunct Pan American World Airways – was appointed trustee.

Mr Shugrue also attempted a rescue, but the Gulf crisis worsened the outlook for the airline industry, and Eastern closed down in January 1991. Since then, Mr Shugrue has been supervising plans for the airline's orderly liquidation.

Yesterday, however, he revealed that he and his advisers had also developed a business plan that would employ Eastern's remaining assets in a new airline operation. He claimed Eastern's creditors would receive a greater payment under this plan than through a liquidation.

Dow Chemical advances 38%

By Frank McGurty in New York

Dow Chemical said higher sales volume and improved productivity had paid off in a 38 per cent jump in first-quarter earnings, excluding special items.

The US basic and specialty chemical producer yesterday posted revenues of $4.5bn for the quarter , a 4 per cent rise on the year-earlier result of $4.36bn.

The gain was struck on an 8 per cent increase in sales volume, reflecting the moderate expansion of the US economy and the beginning of an upturn in European markets. But prices remained under pressure amid a capacity glut within the world chemical industry.

An off-setting factor was the group's extensive streamlining efforts, which resulted in further productivity gains. Cost-cutting in the quarter saved $40m in research, promotion and administrative expenses, following an estimated $100m in savings in 1993.

The net effect of higher volumes and lower costs was best highlighted by Dow's plastics business. Sales of $1.6bn were unchanged from the 1993 period, but operating income surged 85 per cent to $161m.

The overall result was a bottom line figure of $173m, or 62 cents a share, after a provision of 3 cents a share related to a fall in the value of a short-term investment portfolio.

The group realised net income of $402m, or $1.47, in the first quarter of last year, but the figure was bolstered by a one-time $1 a share from the sale of the 50 per cent interest in Dowell Schlumberger, an oil-field services group.

The consumer specialties division, including pharmaceuticals, agricultural supplies and household products, turned in the most buoyant performance. Sales were up 16 per cent to $1.5bn and income 52 per cent ahead at $246m.

The hydrocarbons and energy division showed a 9 per cent sales improvement and narrowed its operating loss to $1m, from $7m a year ago.

Sales of chemicals and performance products slipped 7 per cent to $1bn. Operating income slumped 25 per cent to $109m.

Panama plans bond exchange

By Stephen Fidler, Latin America Editor

Panama, the one Latin American country which went into long-standing default on its foreign bond issues during the 1980s, is set to complete a bond exchange next month aimed at resolving the default.

Under the exchange, more than $400m of new floating-rate notes will be issued by the government in place of nine bonds issued during the 1970s and 1980s.

The new notes will carry interest at 1 per cent over London interbank offered rates and will be redeemed in semi-annual instalments between 1996 and 2002, giving an average life of five years.

The exchange, for which the government was advised by S. G. Warburg, has been accepted by bondholders representing 97 per cent of the outstanding notes and bonds.

The move is the latest step by the current Panamanian government to right the foreign debt defaults of the Noriega era. In a first step, the government cleared $635m of arrears to the Paris Club of creditor governments and the multilateral financial institutions in early 1992.

Talks with leading creditor banks over the settlement of some $1.9bn of debt, with around $1bn of back interest, are continuing, though they are likely to be put on hold at least until after presidential elections on May 8.

The bond exchange – aimed at the creation of one liquid floating-rate note issue which could conceivably act as a future benchmark – has only one recent precedent in Latin America: the exchange in 1985 by Costa Rica of three Eurobond issues.

The nine Panamanian bonds in default, which should all have matured by now, include five US dollar issues totalling $195m, one issue of 20m European units of account, the precursor to the Ecu, and three Japanese issues totalling Y27m.

The accord includes a settlement totalling some $180m of interest payments on both capital and interest outstanding. A quarter of this will be paid initially in cash and the rest will be rolled into the bonds.

Newsprint groups set to raise prices again

By Bernard Simon in Toronto

Several North American and European newsprint producers are expected to announce their second price increase of the year in the next few weeks.

Their expectations have been lifted by firm demand, the high capacity at which most mills are operating, and the low inventories carried by some large publishers. Tighter domestic markets have led to a sharp fall in exports from both Europe and North America.

Recent price rises have stuck for the first time in four years. European discounts have narrowed by about 3-3.5 per cent, while prices in eastern North America are up by about 6 to 7 per cent. Western US and Canadian producers will raise their prices by a similar margin on May 1.

Mr Ronald Oberlander, chairman of Abitibi-Price, the world's biggest producer of newsprint, told the annual meeting last week that "the possibility of another price increase this year should not be discounted".

Fletcher Challenge Canada expects to announce a price increase by mid-May, which would take effect in early autumn.

European newsprint consumption climbed by about 5 per cent in the first two months of the year.

In the UK, mills have guaranteed prices only until the end of June, and are expected to try for another increase before the end of the year.

According to Mr John Maine, an analyst at Resource Information Systems in Virginia: "It's not a question of whether we'll get a price increase, it's when." He predicts a discount cut of about $40 a tonne from the present eastern US price, lifting the price to around $475 a tonne, which is still well below the list price of $685.

Recent experience in the newsprint industry has shown however, that announcing a price rise does not guarantee its implementation.

Johannesburg Consolidated Investment Company Limited

GROUP GOLD MINING COMPANIES

Summary of reports: quarter ended 31 March 1994

Randfontein Estates

The Randfontein Estates Gold Mining Company Witwatersrand Limited
Registration number 01/00251/06

	Quarter ended 31.03.94	Quarter ended 31.12.93	Nine months ended 31.03.94
Ore milled – tons (000)	1 998	2 037	6 091
Yield – grams per ton	4,20	4,02	4,06
Working cost			
– per ton milled	R115,50	R111,33	R112,64
– per kilogram produced	R27 500	R27 701	R27 776
	R000	R000	R000
Net profit before tax	123 699	104 256	314 362
Net profit after tax	73 454	63 264	193 938
Dividend	—	61 136	61 136
Capital expenditure	21 103	22 912	64 020

Western Areas

Western Areas Gold Mining Company Limited
Registration number 59/03209/06

	Quarter ended 31.03.94	Quarter ended 31.12.93	Nine months ended 31.03.94
Ore milled – tons (000)	505	586	1 691
Yield – grams per ton	6,74	7,34	6,98
Working cost			
– per ton milled	R245,64	R212,18	R218,51
– per kilogram produced	R36 431	R28 916	R31 289
	R000	R000	R000
Net profit before tax	23 370	51 514	117 957
Net profit after tax	22 483	50 162	114 401
Dividend	—	44 338	44 338
Capital expenditure	8 202	9 239	24 946

As mentioned in an announcement on 20 April 1994, the *insurers have repudiated the SV2 winder drum shaft* claim. The loss incurred to date has been brought to *account by way of lower revenue in the current report* and the cost of repairs will be accounted for in the June *quarter. The company does not accept the repudiation* and will, if necessary, take action against the insurers.

H. J. Joel

H. J. Joel Gold Mining Company Limited
Registration number 85/01995/06

	Quarter ended 31.03.94	Quarter ended 31.12.93	Nine months ended 31.03.94
Ore milled – tons (000)	152	149	468
Yield – grams per ton	*5,45*	*5.95*	*5,81*
Working cost			
– per ton milled	*R222,36*	*R221,59*	*R211,79*
– per kilogram produced	R40 820	R37 265	R36 468
	R000	R000	R000
Profit/(Loss) from gold	*(847)*	719	4 861
Capital expenditure	12 152	8 034	26 497

All figures are unaudited. Quarterly reports have been *mailed to the shareholders of each company. Copies of* the reports may be obtained from Johannesburg *Consolidated* Investment Company (London). Limited, 6 St. James's Place, London SW1A 1NP.

Johannesburg
29 April 1994

US brewer turns in good start to year

By Richard Tomkins
in New York

A surge in beer sales helped Anheuser-Busch, the biggest *brewing group in the US*, report an unexpectedly good start to the year with its first-*quarter* results.

After a long period of lacklustre volume growth and indifferent results, net income rose by 5.4 per cent to $204.4m from $194.1m.

Anheuser-Busch said that if its tax charge had not risen from *34* to 35 per cent, the profits rise would have been 7.1 per cent.

Fully-diluted earnings per share, boosted by the company's aggressive *stock* repurchase programme, rose by 10.1 per cent.

Higher sales produced the profits growth, the company *said. Turnover rose by 4.8* per cent to $3.02bn, with beer deliveries to wholesalers rising by 4.4 per cent and sales to retailers – a more accurate *indicator of consumer demand* – rising by more than 5 per cent.

Anheuser-Busch said the growth was led by Bud Light, *one of the Budweiser family of* beers, which continued to grow at double-digit rates, and by Ice Draft, a new type of beer brewed through an ultra-cold *process*. Ice Draft had steadily gained market share since its launch in *January*, the company said.

The company's market share rose by 1.1 percentage points to 44.3 per cent of total US beer sales in the *quarter*, reaffirming its position as market leader. It has held the number one slot since 1957.

Mr August Busch, chairman, said the company was extremely pleased with the performance of Ice Draft and planned to introduce Ice Draft Lite in selected markets in *May*.

He said that he looked forward to favourable demographic trends in the company's market as the "post-baby boomer" generation *reached* legal drinking age.

AIG ahead in spite of earthquake

By Patrick Harverson
in New York

American International Group, the large US insurer, yesterday reported modest growth in first-quarter profits, in *spite* of a big jump in catastrophe losses from the January earth-*quake in southern California*.

AIG said net income during the quarter totalled $505.6m, *against $495.6m in the same* period last year. After adjustments for accounting changes and capital gains the group's underlying income rose 6 per cent over the year to $480.1m.

Catastrophe losses at AIG reached $55m, up from $7.3m a year earlier. All the losses related to the earthquake, which has become the second-costliest natural disaster in the history of the US insurance industry, *behind Hurricane* Andrew in 1992.

Commenting on market con-*ditions*, Mr Maurice Greenberg, AIG's chairman, said property insurance rates continued to *strengthen in the* domestic commercial market, a trend that should be reinforced as the industry absorbs the impact of the recent earthquake and weather-related catastrophes.

Apart from the impact of the earthquake, AIG's businesses put in a solid performance. The group's general insurance division recorded earnings of $349.5m, down slightly from $351.8m *a year ago but up* 12.5 per cent if the catastrophe business is excluded. Life *insurance earnings* climbed 18 per cent to $194.4m, and financial services posted *operating* income of $97.1m, up 13 per cent from a year earlier.

● USF&G, another big insurer, also reported higher catastrophe losses in its quarterly results yesterday, partly from the earthquake and partly from the severe winter storms that swept large parts of the US *during* the *quarter*.

First-quarter net income was $23m, down from $61m a year earlier, although those results included a one-time gain of $38m related to the adoption of *new accounting* standards.

Catastrophe losses totalled $40m, $10m of which was the California earthquake with the remainder being winter storms. Even with the losses, USF&G was able to post income of $33m on its property/casualty business, *down from* $40m a year ago.

Buying into an industry's heritage

Agco has grown by acquiring famous names, writes Laurie Morse

Agco, the farm equipment manufacturer and distributor based near Atlanta, is an upstart in an industry decimated by *rationalisation and plummeting* demand for tractors in the past two decades.

The company is barely three years old, but its products bear *familiar names going back to* the early days of manufacturing *history*. This week it added to its range by acquiring the remaining assets of Massey *Ferguson's* European operations in a $328m deal.

Agco's network of 2,600 North American dealers sells tractors with trademarks such as Allis of Allis-Chalmers, White and Massey Ferguson, and *combines* and reapers under the Gleaner and Hesston names.

Mr Robert Ratliff, chairman, has been building the company from *the* ground up, buying the remains of ailing equipment manufacturers at fire-sale prices, boosting their dealer networks and squeezing *profits from rationalisations* and strategic product combinations. Agco's stock has jumped from $14, when the company went public in April 1992, to *around* $34.

Although 98 per cent of Agco's business has been centred on North America, the Massey Ferguson acquisition, *with its European operations* and worldwide dealer network, will make Agco's strategy global.

Mr Ratliff founded Agco when he led a management buy-out of what was left of *Allis-Chalmers'* farm equipment division from Germany's Klöckner-Humboldt-Deutz.

Deutz wanted to divest the farm business because it was a *poor fit with its automotive* businesses. Mr Ratliff, a former International Harvestor executive, financed the $89.4m purchase by selling the company's dealer receivables to Whirlpool Financial.

Since then he has completed a string of acquisitions, expanding his sales force but where possible avoiding capital-intensive manufacturing *operations. Agco, for example,* contracts with manufacturers such as Italy's SLH to produce equipment that Agco sells under its own brand names.

While expanding the dealer network, the acquisitions have also provided a wider selection of equipment to sell in a broad range of prices, a strategy which has proved popular with farmers. It has also given Agco *a profitable business* in replacement parts, which is less sensitive to industry cycles than new equipment sales.

"Farmers keep their machines a long time, and need replacement parts. It's the most profitable part of this business now," says Mr Frank *Manfredi*, a Chicago-based farm equipment analyst.

Agco's main US competitors are Deere and Co and J. I. Case, owned by Tenneco. Agco's *stock* price has moved up in tandem with Deere and Tenneco, benefiting from recovery in the US farm sector.

The company's 1993 sales rose to $600m, mostly on the strength of acquisitions, gener-*ating profits of $34m. Following* the Massey Ferguson deal, Mr Ratliff expects Agco's sales to hit $1.5bn, though the debt-to-capital ratio will increase to *57 per cent from 49 per cent*.

At first glance the Massey Ferguson purchase is at odds with the Agco strategy – Massey Ferguson has large manu-*facturing operations in the UK* and France, and was bought at a premium to book value.

However, Mr Ratliff says that the deal is a logical step in *his plan to expand* Agco worldwide. It adds 4,000 dealers to its distribution network, all of them outside the US, and Agco will use these outlets to mar-*ket lines now* offered only in North America.

Agco's acquisitive history

JUNE 1990: Investment group creates Agco by buying out *Deutz-Allis*, successor of Allis-Chalmers' agricultural division, for $89.4m.

MARCH 1991: Buys Hesston Corporation, a leading manufac-*turer of hay equipment from Fiat, for $26m.* Deal includes a joint manufacturing venture with the J.I. Case division of Tenneco.

MAY 1991: Buys White Tractor division of Allied Products for $10.1m.

FEBRUARY 1992: Becomes exclusive North American distributor for Italy's SLH range of tractors and replacement parts.

JANUARY 1993: Becomes exclusive North American distributor of Massey Ferguson's agricultural equipment and replacement parts, and acquires Massey Ferguson's North American distribution network for $96.2m.

JANUARY 1993: Creates equipment finance company in joint venture with Varity and Massey Ferguson. Eventually obtains all rights to the venture, re-named *Agricredit Acceptance*, for $43.2m.

DECEMBER 1993: Buys White-New Idea, a manufacturer and distributor of *planting* and tillage equipment, from Allied Products for $53.5m.

APRIL 1994: Buys Massey Ferguson's *European* operations, including worldwide dealer network, for $328m.

Earnings at Placer Dome more than trebled

By Bernard Simon in Toronto

A stronger gold price and higher *investment* income helped Placer Dome, the Vancouver-based gold producer, more than *treble first-quarter* earnings.

Net earnings were US$37m, or 16 cents a *share*, up from $11m, or 5 cents a share, a year earlier. The latest figures *include a $6m* after-tax gain from the sale of investments in other mining companies. Revenues *edged* up to $216m from $213m.

Cash production costs rose *to* $198 *from* $192 per ounce, but this was more than offset by an increase in the average gold price received to $385 per ounce from $352.

Placer's share of gold output from its 13 mines dipped to 442,000 ounces from *450,000* ounces.

Production increases at eight mines were *offset* by lower output at the Kidston mine in Australia, Detour Lake in Ontario and Misima in Papua New Guinea. Placer's share was *also affected* by its lower interest, currently 25 per cent, *in* the Porgera mine *in Papua* New Guinea.

Production for 1994 as a *whole is forecast* at 2.1m ounces, up from 1.8m ounces in 1993.

Placer said construction of the 50 per cent-owned Zaldivar *copper mine* in Chile is on schedule and on budget. The mine, with an annual capacity of 125,000 tonnes, is due to start production in the second *half of* 1995.

Sara Lee posts record sales

Sara Lee, the US consumer products group, announced record sales and flat earnings *for the third quarter* ended April 2, in line with analysts' expectations.

Net sales for the quarter were $3.7bn, up 11 per cent on last year's $3.3bn. Net income was unchanged at $152m.

AMGOLD

Anglo American Gold Investment Company Limited

Results for the year and final dividend

(R million)	31.3.94 (Unaudited)	31.3.93
Investment income	**312**	234
Interest earned less administration expenses	**41**	54
Surplus on realisation of investments	**137**	15
	490	303
Cost of prospecting	**22**	35
Provision against investments and loans	**–**	15
Grants - educational and welfare	**6**	5
Attributable earnings	**462**	248
Retained earnings of associated companies	**4**	1
Equity accounted earnings	**466**	249
Earnings per share - cents		
- equity accounted earnings	**1 929.7**	1 032.3
Dividends		
- R million	**326**	248
- cents per share	**1 350**	1 025
interim	**625**	525
final	**725**	500
Market and directors' values of investments		
Listed - market value	**9 602**	5 008
Unlisted - directors' valuation	**81**	288
Loans	**41**	74
	9 724	5 370
Net asset value		
- R million	**10 046**	5 730
- cents per share	**41 602**	23 731

DIVIDEND
Dividend No. 92 of 725 cents per share has been declared payable on Friday, 17 June 1994 to shareholders registered at the close of business on Friday, 13 May 1994. The register of members will be closed from Saturday, 14 May 1994 to Saturday, 21 May 1994. The full conditions relating to the dividend may be inspected at the Head Office and London Office of the company and at the offices of its transfer secretaries.

Head Office
44 Main Street
Johannesburg 2001
South Africa
28 April 1994

London Office
19 Charterhouse Street
London EC1N 6QP

AAC

The annual report will be posted on or about 1 June 1994

CATHAY CLEMENTE (HOLDINGS) LIMITED

(An exempted company incorporated in the Cayman Islands with Limited Liability)

1993 FINAL RESULTS (Audited)

Financial Highlights	*31st December, 1993* HK$	*31st December, 1992* HK$
Net Asset Value	539,119,331	442,670,227
Net Asset Value per share	7.870	7.820
Net Asset Value per share on a fully diluted basis	7.858	7.816
Revenue Account		
For the year ended 31st December, 1993	HK$	11/9/92 to 31/12/92 HK$
Income		
Interests on deposits	14,279,621	1,334,961
Expenses	(16,634,311)	(2,414,075)
Net loss	(2,354,690)	(1,079,114)
Revenue Reserve, beginning of year/period		
- *as previously reported*	(1,661,663)	-
- prior period adjustment	582,549	-
Revenue Reserve *beginning of year/period* as restated	(1,079,114)	-
Revenue Reserve, end of year/period	(3,433,804)	(1,079,114)
Loss per share	(0.036)	(0.019)

DIVIDEND
The Board of Directors does not recommend the payment of a Final dividend.

Directors' Interests
As at 31st December, 1993, Ernest Lai held 100,000 shares and 20,000 warrants of the Company. Save for the above, none of the other Directors had an interest, either beneficially or non-beneficially, in the share capital or warrants of the Company.

Purchase, Sale or Redemption of Listed Securities of the Company
During the year, the Company neither purchased, sold nor redeemed any of its own listed securities. No pre-emptive rights exist under Cayman Islands law in relation to issues of new listed securities by the Company.

Prior Period Adjustment
The amortization of formation expenses against the capital reserve account as from the current fiscal year represented a change in accounting policy which has been accounted for retroactively in 1992 by means of a prior period restatement. As a result of the change, the net loss and loss per share for the year ended 31st December, 1993 was HK$3,873,266 and HK$0.059, respectively, lower than it would have been if the change in accounting policy had not been made. In addition, the loss per share for the period ended 31st December, 1992 was reduced by HK$0.01 per share to HK$0.019 per share.

By order of the Board
MeesPierson (Cayman) Limited, Secretary

NOTICE OF ANNUAL GENERAL MEETING
NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Shareholders of Cathay Clemente (Holdings) Limited (the "Company") will be held at the office of MeesPierson (Cayman) Limited, British American Centre, Phase 3, Dr Roy's Drive, George Town, Grand Cayman, Cayman Islands, British West Indies on 31st May, 1994 at 10:30 a.m. when the following ordinary business will be transacted:

1. To receive and consider the financial statements of the Company and the reports of the Directors and the Auditors for the period ended 31st December, 1993.
2. To resolve that no final dividend be declared.
3. To re-elect Lilia C. Clemente, S. Donald Sussman and Anthony Watson as Directors.
4. To *appoint Auditors for the ensuing year and* to authorise the Directors to fix their remuneration.
5. To transact any other business which *may be properly transacted at an annual* general meeting.

By Order of the Board
MeesPierson (Cayman) Limited, Secretary

29th April, 1994

Registered office: British American Centre, Phase 3, Dr Roy's Drive, George Town, Grand Cayman, Cayman Islands, British West Indies.

Notes:

(1) Proxy forms may be deposited at MeesPierson (Cayman) Limited, British American Centre, Phase 3, Dr Roy's Drive, George Town, Grand Cayman, Cayman Islands, British West Indies, no later than the time specified above for the holding of the meeting.

(2) *Proxies need not be members of the Company.*

(3) No Director of the Company has a contract of service with the Company.

A copy of the annual report and any further information is available from the Assistant Secretary, MeesPierson Management (Asia) Limited, 27th Floor, Alexandra House, 16-20 Chater Road, Central, Hong Kong.

PIRELLI TYRE HOLDING N.V.

Established in Amsterdam

Shareholders are herewith invited to attend the annual

General Meeting of Shareholders

to be held on Monday May 16, 1994 in the WTC Club, World Trade Center, Strawinskylaan 1, Amsterdam at 3.00 p.m.

The summary agenda is as follows:

1. Opening
2. Report of the Board of Management for 1993
3. Adoption of the annual accounts for 1993
4. Proposal to increase the share capital
5. *Reappointment of a member of the Supervisory Board*
6. Appointment of a member of the Board of Management
7. Any other business, announcements, questions
8. Closing

The annual report, including the comprehensive agenda for this meeting, and the financial statements for the year 1993 as well as the details with respect to the member of the Supervisory Board to be reappointed are available for inspection at and may be obtained free of charge from the Company's office and the principal offices of the below mentioned banks.

Holders of bearer shares who (in person or by proxy) wish to attend the meeting must have lodged their shares not later than Wednesday May 11, 1994 at one of the following banks who will *subsequently send them a receipt which* will serve as entrance ticket:
in the **Netherlands** at MeesPierson N.V., Amsterdam
in **Belgium** at Generale Bank, Brussels
in **Germany** at Dresdner Bank A.G., Frankfurt a.M.
in **Italy** at Credito Italiano, Milan
in **Switzerland** at Swiss Bank Corporation, Zürich
in the **United Kingdom** at Midland Bank PLC, London

The Board of Management
The Supervisory Board

April 29, 1994
Strawinskylaan 627
1077 XX Amsterdam

PIRELLI

H. J. Joel Gold Mining Company Limited

Registration No. 85/01995/06
(Incorporated in the Republic of South Africa)
("H.J. Joel")

Results of the offer to ordinary shareholders

In terms of the H. J. Joel rights offer to its ordinary shareholders of 97,980,267 *new ordinary shares of one cent* each ("new shares") at a subscription price of 290 cents per share ("the offer"), subscriptions were received for *88,579,356 new shares, representing 90.4% of the offer.*

In accordance with the underwriting agreement, Smith New Court Securities Limited and N. M. Rothschild & Sons Limited have procured subscriptions and/or subscribed as principals for the balance *of the shares.*

Share certificates in respect of the new shares will be posted today.

On behalf of the Board
K W Maxwell
W A Nairn

Johannesburg
29 April 1994

BANQUE NATIONALE DE PARIS
USD 250.000.000 Floating Rate due 1997
applicable interest rate for the *interest* period from *26th April* 1994 up to 26 July 1994 as determined by the reference agent is 4.50 per cent per annum namely USD 1137.50 per bond of *USD 100,000.*

INTL COMPANIES & CAPITAL MARKETS

Samsung buys Nissan technology

By John Burton in Seoul

Samsung Heavy Industries has signed a contract to import car technology from Nissan Motor of Japan as part of its plan to become South Korea's fifth passenger car manufacturer.

The subsidiary of South Korea's largest conglomerate said it would build three mid-sized models based on Nissan technology beginning in 1997 and sell them only under its own badge. Production in the first year will be 50,000 cars, with a subsequent increase.

Nissan will receive a total of Y8.66bn ($84.4m) in royalty and technology fees from Samsung, plus between 1.6 per cent and 1.9 per cent of the shipment price for every Samsung car.

Nissan said it saw the alliance with Samsung "as a way of further expanding its business foundations in Asia." It said that it would develop a new car based on one of its vehicles for Samsung. A two-litre saloon car was under consideration.

It said Samsung planned to build a plant either near Pusan or on the west coast of South Korea to make the car developed by Nissan.

Mr Minoru Nakamura, a Nissan board member, said that Samsung's investment in the plant could total Y450bn.

The Korean government has expressed concerns that Samsung's entry into the crowded car industry could cause severe problems for the country's other motor companies.

Samsung plans soon to file an application for the import of vehicle technology with the ministry of trade, industry and energy. If the ministry turns down the request, it would in effect block Samsung's ambitions.

The Korea Automobile Manufacturers' Association criticised Samsung for importing technology, which contradicts the government's goal for Korea to achieve technical independence in the motor industry.

Under the contract, Nissan will transfer the technology for its latest range of compacts, including newly-developed engines and suspension systems, and jointly develop new versions for Samsung. It will also provide engineering assistance for Samsung's production of the vehicles, which would use at least 70 per cent Korean-made components.

Samsung will have unrestricted access to export markets under the agreement with Nissan, which also granted the right for Samsung to change components and designs as desired. Samsung will also receive advice from Nissan on sales, marketing and after-sales service.

Other Korean car companies, including Kia and Daewoo, have previously been forced to accept export restrictions in return for gaining technology from Ford and General Motors, respectively.

Profits slip at JCI gold mines

By Mark Suzman in Johannesburg

Gold mines in the stable of Johannesburg Consolidated Industries, the South African mining conglomerate due to be sold off to black investors later this year, reported a decline in after-tax profit to R52.3m ($14.6m) in the March quarter from R72.6m in the preceding three months. The year-ago figure was R58.8m.

As expected, the drop from the December quarter's good results was largely due to a failure of a steel drum shaft at the Western Areas mine in January. However, this loss of production was partly offset by record gold production at Randfontein Estates and a 2.7 per cent rise in the average gold price received.

Total revenue from the mines fell to R513.9m, a drop of 1.6 per cent from the previous quarter's results of R522.4m. Overall ore milled dipped to 2.65m tonnes, from 2.77m tonnes, and overall gold production was down 5.6 per cent to 12,625kg from 13,373kg.

At Western Areas, production declined 20.8 per cent to 3,405kg from 4,300kg as a result of the accident as the group turned in what management described as a "creditable" performance under the circumstances. Nevertheless, a decision to count the cost of the repairs in the next quarter meant that the mine still recorded an after-tax profit of R14.3m, down from R40.9m.

In an excellent quarter, Randfontein saw production boosted to a record 8,392kg from 8,187kg, largely on the strength of a higher yield. Successful cost containment led to bonuses of R5.6m for employees.

The group's H.J. Joel operation, which recently announced a R284m rights issue to help fund capital expenditure, recorded an operating loss of R0.8m following an operating profit of R0.7m in the December quarter.

Moody's assigns ratings to reflect derivatives

By Tracy Corrigan

Moody's, the US ratings agency, plans to start assigning specific ratings to institutions, based on their creditworthiness as counterparties in the derivatives market.

The expanded coverage is designed "to meet a clear market need for credit assessments that apply specifically to the financial capacity of individual obligors to meet their financial contracts," said Moody's associate director, Mr John Kriz.

He warned that bond and deposit ratings may not accurately reflect an obligor's creditworthiness from a derivatives claim perspective.

As a first step, Moody's has assigned "counterparty" ratings to 276 US banks and thrifts which are participants in the derivatives markets. Twenty-five of these ratings are lower than for the institutions' domestic deposit ratings, typically by one notch.

The differences "reflect analytical concerns such as the relative standing and potential loss content of financial contract claims, such as derivatives, vis-a-vis domestic deposits," the agency said.

Until now, Moody's has rated only derivative products companies such as Salomon Brothers' Swapco. Other ratings apply to the debt, rather than the institution.

Poseidon Gold holds steady

By Nikki Tait in Sydney

Poseidon Gold, part of the Normandy Poseidon group, yesterday announced operating profits of A$52.2m (US$36.7m), after tax, for the nine months to end-March. This compares with A$51.6m in the same period of the previous year.

The company, which recently won a contested bid battle for Aztec Mining, said equity production for the nine-month period was 548,342 ounces, a 1.6 per cent increase over the corresponding period of 1992-93. The average gold price received by the PosGold companies was A$586 per ounce, compared with an average spot price of A$555.

● Great Central Mines, the Australian mining group whose shares soared last year when it became known that a New York rabbi had prophesied it would enjoy significant finds, is to spin off its diamond exploration interests into a separate company and concentrate on gold mining.

The diamond interests will be transferred to Astro Mining, at an "anticipated" value of A$7m. Astro will issue 70.2m shares to GCM, which will pass them on to its current shareholders, on a pro-rata basis.

GCM is run by Mr Joseph Gutnick, a member of the ultra-orthodox Lubavicher sect whose leader is Brooklyn-based Rebbe Schneerson.

GCM's market capitalisation rose to more than A$1bn last year on the back of the discovery of "microdiamonds" in the Greater Nabberu region of Western Australia and talk of the rabbi's prophesy.

The diamond interests have yet to prove economic, but GCM has subsequently discovered a more promising gold deposit at Bronzewing in Western Australia.

COMPAGNIE FINANCIÈRE OTTOMANE SA

23 avenue de la Porte-Neuve
LUXEMBOURG
R.C. Luxembourg B44561

The Annual General Meeting of shareholders will be held on Wednesday 18 May 1994 at 11.30 am in the Hotel Le Royal, 12 boulevard Royal, Luxembourg to receive reports from the directors and the auditors, to approve the accounts for the year ended 31 December 1993 and proposed distributions, to discharge the directors and auditors, to elect directors and to re-appoint auditors.

To attend the general meeting, holders of bearer shares must deposit their shares at least 10 days before the date fixed for the Meeting:

In Luxembourg at the head office of the company at the above address

In London, at Ottoman Financial Services, King William House, 2A Eastcheap, London EC3M 1AA

In France, where shares are deposited with SICOVAM, shareholders must advise the blocking of their shares through their deposit agent either to Banque Paribas, 3 rue d'Antin, 75002 Paris or to Compagnie Financière Ottomane, 7 rue Meyerbeer, 75009 Paris.

The report and the accounts which will be presented to the general meeting are available to the shareholders at the head office in Luxembourg and at the offices in London and Paris.

J WINANDY
Secrétaire Général

29 April 1994
Note: First notice published 17 March 1994

Welcome to

SCA's Annual General Meeting

The shareholders of Svenska Cellulosa Aktiebolaget SCA are hereby invited to attend the Company's Annual General Meeting, to be held at Cirkus, Djurgården, Stockholm, Sweden on Thursday, May 19, 1994, at 3:00 p.m.

Agenda

As stipulated in the Company's Articles of Association, the agenda includes the presentation of SCA's Annual Report and Auditors' Report, Consolidated Financial Statements and Consolidated Auditors' Report, decisions on approval of the Income Statement and Balance Sheet, and Consolidated Income Statement and Balance Sheet, disposition of the Company's earnings as shown in the approved Balance Sheet, voting on the discharge of the Board of Directors and President from liability for the year 1993, approval of the fees to the Board of Directors and Auditors, and the election of the Board of Directors and Auditors.

The Board of Directors' proposal on a decision that – conditional upon the Swedish Parliament adopting the Government's proposal regarding public limited liability companies, without any significant changes – the Company shall be a public limited liability company, and the Board's proposal on a decision to subsequently change the registered name of the Company.

Shareholders representing approximately 50% of the voting rights of all SCA shares have notified the Company that they propose that the Annual General Meeting re-elect Board members Bo Rydin, Tom Hedelius, Sverker Martin-Löf, Erik Penser and Lars Öberg and elect as new members Clas Reuterskiöld, President and CEO designate of AB Industrivärden, and Lars Ramqvist, President and CEO of Telefonaktiebolaget LM Ericsson.

Notice of participation

Shareholders wishing to participate in the Meeting must:

- be recorded in the share register maintained by the Swedish Securities Register Center (Värdepapperscentralen VPC AB) on Monday, May 9, 1994, and
- notify SCA of their intention to participate not later than 4:00 p.m., Monday, May 16, 1994 to SCA, S-851 88 Sundsvall, Sweden, telephone +46 60-19 31 14/19 30 00 or telefax +46 60-19 31 34.

Name, address, personal identification/organization number (when applicable) and telephone number should be provided with the notice of participation.

Shareholders who have their shares registered in the name of a nominee must temporarily have their shares registered in their own name with the Swedish Securities Register Center (VPC) on May 9, 1994. A request for such temporary registration should be received by the nominee well in advance of the deadline.

Payment of dividend, etc.

The Board of Directors has proposed Wednesday, May 25, 1994 as the record date for payment of the dividend. If the shareholders at the Annual General Meeting approve the proposal, it is expected that dividend payments will be mailed by VPC on Wednesday, June 1, 1994.

Refreshments will be served between 1:30 p.m. and 2:45 p.m.

Stockholm, April 1994
The Board of Directors

SCA

Residential Property Securities No. 1 PLC

£200,000,000

Mortgage Backed Floating Rate Notes 2018

Notice of Partial Redemption

S.G.Warburg & Co. Ltd. announce that Notes for the nominal amount of £3,800,000 have been drawn for redemption on 31st May, 1994, in accordance with Clause 5(b) of the Terms and Conditions of the Notes.

The distinctive numbers of the Notes drawn, are as follows:-

463	488	512	535	559	581	605	629	652	676
1195	1219	1242	1268	1291	1313	1337	1360	1384	1407
1430	1453	1476	1499	1521	1544	1567	1590	1616	1641
1664	1687	1714	1738	1763	1786	1811	1834		

On 31st May, 1994 there will become due and payable upon presentation of each Note drawn for redemption, the principal amount thereof, together with accrued interest to said date, at the office of:-

S.G.Warburg & Co. Ltd.
2 Finsbury Avenue, London EC2M 2PA

or one of the other paying agents named on the Notes.

Interest will cease to accrue on the Notes called for redemption on and after 31st May, 1994 and Notes so presented for payment should have attached all Coupons maturing after that date.

£82,800,000 nominal amount of Notes will remain outstanding after 31st May, 1994.

29th April, 1994

Citicorp Banking Corporation

(Incorporated in the State of Delaware)
Unconditionally guaranteed on a subordinated basis by
CITICORP

US$250,000,000 GUARANTEED FLOATING RATE SUBORDINATED CAPITAL NOTES DUE JANUARY 1997

Notice is hereby given that the Rate of Interest has been fixed at 5.25% and that the interest payable on the relevant Interest Payment Date July 29, 1994 against Coupon No. 38 in respect of US$10,000 nominal of the Notes will be US$ 132.71.

April 29, 1994, London
By: Citibank, N.A. (Issuer Services), Agent Bank CITIBANK

CITICORP

U.S.$350,000,000
Subordinated Floating Rate Notes Due November 27, 2035

Notice is hereby given that the Rate of Interest has been fixed at 5% in respect of the Original Notes and 5.0875% in respect of the Enhancement Notes, and that the interest payable on the relevant Interest Payment Date May 31, 1994 against Coupon No. 102 in respect of US$10,000 nominal of the Notes will be US$44.44 in respect of the Original Notes and US$45.22 in respect of the Enhancement Notes.

U.S.$500,000,000
Subordinated Floating Rate Notes Due October 25, 2005

Notice is hereby given that the Rate of Interest has been fixed at 5% and that the interest payable on the relevant Interest Payment Date May 31, 1994 against Coupon No. 103 in respect of US$10,000 nominal of the Notes will be US$44.44.

U.S.$500,000,000
Subordinated Floating Rate Notes Due January 30, 1998

Notice is hereby given that the Rate of Interest has been fixed at 5% and that the interest payable on the relevant Interest Payment Date May 31, 1994 against Coupon No. 100 in respect of US$10,000 nominal of the Notes will be US$44.44.

April 29, 1994, London
By: Citibank, N.A. (Issuer Services), Agent Bank CITIBANK

Generale Bank

Public Limited Liability Company
Montagne du Parc, 3 - B - 1000 Brussels
Brussels Trade Register n° 76.034
Member of S.F.A.

Capital increase by means of an exchange of 1993 dividend rights for shares

Issue price	: BEF 7,480 per share
Proportion	: ONE new share, with right to dividend from 1 January 1994, for 22 No. 1 coupons detached from existing ordinary, AFV I or AFV II shares representing the net dividend of BEF 340.- for the fiscal year 1993.
Periode	: from 5 to 19 May 1994 inclusive

Applications for stock dividends may be submitted to:

in Belgium	: **Generale Bank Belgolaise**
in Luxemburg	: **Banque Générale du Luxembourg**
in France	: **Société Générale**

where the note on this operation is available.

Shareholders who do not possess a sufficient number of No. 1 coupons to subscribe to a whole number of new shares may supplement their subscription by means of a cash adjustment of BEF 340 for each missing No. 1 coupon in order to obtain the number of shares immediately above the one they are entitled to by virtue of the coupons they possess. Only one cash adjustment per shareholder will be allowed.

For shareholders who have not submitted their No. 1 coupons detached from ordinary, AFV I and AFV II shares in the framework of this operation, the coupons will only be payable in cash as of 26 May 1994 at the amount of BEF 340 net each.

An application is to be made for the new shares to be registered for quotation on the Brussels, Antwerp, Paris and Luxemburg Stock Exchanges. Dividends paid out to these new shares will be subject to the Belgian withholding tax of 13.39 %.

INVESTING IN FRANCE

RFM
Performances S.A.

Management Buy-Out
Led by:
Hambro European Ventures Limited

Other Equity Providers:
In-Com
S.E.I.E.
M.T. Participations

Legal advice provided by Clifford Chance, Paris

MFD
Maison Francaise de Distribution

Management Buy-In
Co-Led by:
Hambro European Ventures Limited

Other Equity Providers:
L'Lione
Jean-Michel Monnet
Gerard Vachet
Debt provided by:
Unicredit

Legal advice provided by Clifford Chance, Paris

James Weir
Hambro European Ventures Limited
16 Place Vendome 75001 Paris
Telephone: 010 331 42 60 57 17
Facsimile: 010 331 42 86 90 19

Edmund Truell
Hambro European Ventures Limited
41 Tower Hill London EC3N 4HA
Telephone: 071-865 1829
Facsimile: 071-702 9827

HAMBRO EUROPEAN VENTURES
Member of IMRO

Treasuries plunge as GDP small-print raises doubts

By Frank McGurty in New York and Sara Webb in London

US Treasury bonds plunged yesterday morning after investors took a look behind a weaker-than-expected headline figure on first-quarter economic growth.

By midday, the benchmark 30-year government bond was 1 1/16 lower at 88 5/16, with the yield rising 10 basis points to 7.207 per cent. At the short end, the two-year note ebbed 3/16 to 99 11/16, to yield 5.651 per cent.

GOVERNMENT BONDS

The initial reaction to the Commerce Department's preliminary estimate of gross domestic product for the first three months of the year was rousing. Prices jumped on the news of 2.6 per cent growth, well below the level forecast by many economists.

However, the market quickly reversed course after delving deeper into the report. Though the economy slowed markedly from the 7 per cent rate of growth in the fourth quarter, traders were particularly concerned by a 2.9 per cent increase in the fixed-weight deflator measure of inflation, which slightly exceeded a median forecast of 2.6 per cent.

In another worrying development, private-sector demand remained robust, offsetting a sharp decline in government spending which is unlikely to be repeated in the second quarter.

Traders seized on these undercurrents as an excuse to sell after a strong rally during the past week. They virtually ignored a soft 0.4 per cent increase in March durable goods orders. The data, which compared with expectations of a 1 per cent gain, suggested tame conditions going into the second quarter.

Selling was led by dealers hoping to push prices lower ahead of an afternoon Treasury auction of $11bn in five-year notes. Their strategy was to buy the newly-issued securities cheaply and sell them on to retail customers at a profit. The sale was expected to draw good demand.

■ European government bonds took their cue from the US again yesterday afternoon, imitating the Treasury bond sell-off. There were declines of a quarter point in Germany and a point in the UK.

The European bond markets opened on a relatively-stable note, and the decision by the Bank of France to shave another 10 basis points off its intervention in the morning gave a welcome – if short-lived – lift to French government bond prices. However, the sell-off in the US Treasury bond market in the afternoon pulled French prices lower.

The French central bank lowered its intervention rate, from 5.8 per cent to 5.7 per cent at the securities repurchase tender yesterday, in line with market expectations. The notional bond futures contract quoted on the Matif exchange opened at 121.92 and reached a high of 121.98 before falling to a low of 121.18 and then settling at 121.24.

■ The initial focus in the German government bond market was the Bundesbank's council meeting, where members decided to leave the key discount and Lombard rates unchanged, as expected by the market.

The announcement of the west German inflation data provided a minor disappointment. Bavaria was the last of the German states to report its consumer prices data, announcing yesterday a rise of 0.3 per cent in the month to mid-April for a year-on-year increase of 2.9 per cent. Meanwhile, the west German figure rose 0.3 per cent to give a year-on-year rise of 3.2 per cent.

"Obviously, the market will be watching the Bundesbank's repo next week," said Mr Kit Juckes, economist at S.G. Warburg Securities. "And while the 3.2 per cent inflation figure is disappointing, it should get down to 3 per cent in the summer."

The bund futures contract opened at 95.12 and reached a high of 95.47, then dropped to a low of 94.55 in the wake of the US sell-off. The contract settled at 94.67, down a quarter of a point on the previous close.

■ Elsewhere in Europe, the sell-off in Spanish government bonds was partly triggered by domestic factors. At the Treasury's auction of three-, five-, and 10-year paper yesterday, the accepted yields were significantly higher than at the previous bond auction, reflecting the secondary market levels.

While the amounts sold were relatively small, there was disappointment that the Treasury accepted such high yields. "The Treasury should simply have cancelled the auction, or stipulated a minimum accepted price especially as they are reasonably well ahead with funding," said one analyst.

The Spanish three-year note yield rose to 8.376 per cent at the auction, from 7.298 per cent previously. The five-year note yield was set at 8.761 per cent from 7.388 per cent previously, and the 10-year bond yield rose to 9.242 per cent from 7.811 per cent.

■ UK government bonds fell nearly a point, under the influence of the US decline and new supply in the Eurosterling sector. Dealers noted switching out of long-dated gilts into the new Cable & Wireless Eurosterling issue, as well as shortening trades.

VSNL pricing puts bankers and investors at odds

By Sara Webb

By Indian standards, the international equity offering from Videsh Sanchar Nigam (VSNL), India's international telecommunications group, is a juggernaut.

VSNL hopes to raise up to $1bn through the deal, which has been road-showing in Asia, Europe and the US. However, investment bankers are haggling with investors over the actual pricing of the deal, due on Tuesday.

In general, it is in investors' interests to talk down the company's value, while lead managers, who may have won the mandate by suggesting a price at the higher end of the range, tend to argue in favour of as high a price as possible.

In the case of VSNL, joint global co-ordinators Salomon Brothers and Kleinwort Benson have indicated a price of between Rs1,400 and R1,600 per share, where each global depositary receipt represents one half of a share.

With the Indian stock market trading at relatively-stable levels after its February peak, it seems likely the VSNL issue will be priced towards the lower end of the indicated range, based on a "discounted cashflow" model.

The stock is already traded on the Bombay exchange. However, there is only a small free-float of shares, corresponding to about 6 per cent (the government owns 85 per cent), and the price is easily manipulated.

Bankers say the quoted share price has escalated from Rs150 last summer to a high of Rs1,700 in January, buoyed by the prospect of the international offering. However, the price has moved down quite sharply recently, from Rs1,700 in February to Rs1,250 at the end of March.

Mr Roger Bade, emerging market fund manager at Commercial Union, says: "I haven't got a problem with the pricing: it's the Indian market that is a problem." He says the recent clampdown on domestic speculative trading, and the glut of international equity offerings, have made the market background tricky.

"Even if the price is lower [than Rs1,400], I'm not sure it will go well or jump to a premium because the background sentiment is so poor," he says. Like many other fund managers, Mr Bade says "Rs1,400 to Rs1,600 is too high. I would tend to look at p/e ratios, rather than the cashflow analysis, and on that basis it looks expensive".

"I would be looking at a price of Rs1,000 as fair value," said one US analyst. "Taking the average of the research notes, I think it is aggressive pricing even for a dramatic growth stock."

Mr Jim McAlear, vice-president of the Columbia International Stock Fund, a US-based mutual fund, said: "VSNL is an important stock; it fills a role as a proxy for the Indian market, but I have a problem putting a price on it. The problem is the growth rate will be very strong in the medium term, but I think it is overpriced based on short-term growth prospects."

While many fund managers regard VSNL as an interesting company with strong growth potential, and like its 10-year monopoly on international telephone traffic, they see the pricing as too optimistic.

Cable & Wireless leads quiet day with £200m deal

By Conner Middelmann

Cable & Wireless provided the highlight of an otherwise featureless day in the Eurobond market with its issue of £200m of 25-year bonds.

According to lead manager Samuel Montagu, the deal sold out within hours of the launch, with the bulk of the issue placed with UK institutions seeking long-dated debt. "There's been nothing else at the long end [of the Eurosterling market]," said a syndicate official.

INTERNATIONAL BONDS

The gilt market, too, has been starved of long-dated supply, with the Bank of England concentrating issuance at the shorter end of the yield curve.

The lack of a credit rating for C&W was no deterrent. "UK institutionals don't really mind – they like UK blue-chips," said a dealer at another bank. The 8⅝ per cent bonds were priced to yield 90 basis points over the 8¾ per cent gilt due 2017. The spread narrowed slightly to close around 88 basis points over gilts.

The Republic of Ireland tapped the Dutch guilder market for Fl 250m of 6⅞ per cent 10-year bonds. Yielding 30 basis points over the corresponding government bond at re-offer, the pricing was widely considered to be aggressive.

"Triple-A rated Crédit Local issued 10-year bonds at 30 over [government bonds] last week – Ireland with its lower rating should have yielded at least 35 over," said one trader.

However, lead manager Rabobank argued that, although Ireland has a lower rating (Aa3 from Moody's and AA- from Standard & Poor's), its sovereign status and strong fundamental outlook justified the pricing. Traders said the spread widened to around 34 basis points over the government bond, but Rabobank said it remained stable at 30 basis points over.

In the French franc sector, Volvo Group Finance issued FFr1bn of 6¾ per cent five-year bonds. While traders felt the pricing was reasonable, they reported little demand for unrated Volvo paper.

However, lead manager Crédit Lyonnais said French investors have shown a healthy appetite for corporate bonds in the five-year sector offering a substantial yield pick-up over government bonds. The bonds were priced to yield 67 basis points over the corresponding French government bond.

Elsewhere, ABN Amro Australia and Cadbury Schweppes Australia each issued A$75m of five-year bonds targeted mainly at retail investors.

● Eastern Electricity, the UK regional electricity company, bought back its £118m of government debt, redeeming two £59m tranches of government bonds maturing in 1999 and 2008. The purchase, financed in part by Eastern's £350m bond issue on Tuesday, will involve a redemption premium of £27m and will result in subsequent interest savings, the company said.

NEW INTERNATIONAL BOND ISSUES

Borrower	Amount m.	Coupon %	Price	Maturity	Fees %	Spread bp	Book runner
US DOLLARS							
Daiwa Overseas Finance(a)‡	70	(b)	100.25	May.2004	0.25	-	Daiwa Bank Capital Mgmt.
YEN							
Inter-American Dev'ment Bank★	10bn	4.25	100.075	May.2006	undiscl.	-	Bank of Tokyo Capl.Mkts.
DSL Bank★	10bn	3.90	99.88	Jun.1999	0.25	-	Merrill Lynch International
GUILDERS							
Republic of Ireland	250	6.875	100.00R	Jun.2004	0.30R	+30 (5¾%-04)	Rabobank Nederland
AUSTRALIAN DOLLARS							
ABN Amro Australia	75	8.00	101.20	Jun.1999	2.00	-	ABN Amro Bank
Cadbury Schweppes Australia	75	8.50	101.69	JUN.1999	2.00	-	Barclays de Zoete Wedd

Final terms and non-callable unless stated. The yield spread (over relevant government bond) at launch is supplied by the lead manager. ★Private placement. ‡‡Floating rate note. R: fixed re-offer price; fees are shown at the re-offer level. a) Callable on 20/5/97 at par. b) 6-mth Libor +0.45% for 1st 3 yrs and 9½% fxd annual thereafter. c) Short 1st coupon.

WORLD BOND PRICES

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Day's change	Yield	Week ago	Month ago
Australia		9.500	08/03	108.5800	−0.070	8.16	8.27	7.23
Belgium		7.250	04/04	98.6200	+0.110	7.45	7.54	7.28
Canada *		6.500	06/04	89.4500	−0.600	8.05	8.05	7.68
Denmark		7.000	12/04	98.5500	+0.230	7.19	7.37	6.91
France	BTAN	8.000	05/98	106.1250	−0.130	6.22	5.94	5.76
	OAT	5.500	04/04	90.7100	−0.480	6.81	6.90	6.53
Germany		6.000	09/03	96.4300	−0.050	6.52	6.59	6.33
Italy		8.500	01/04	96.8000	−0.500	9.00†	9.05	9.15
Japan	No 119	4.800	06/99	106.0870	+0.180	3.41	3.45	3.43
	No 157	4.500	06/03	103.6230	-	3.96	3.97	4.12
Netherlands		5.750	01/04	93.9300	−0.030	6.61	6.70	6.52
Spain		10.500	10/03	107.4000	−0.150	9.28	9.30	9.01
UK Gilts		6.000	08/99	93–12	−7/32	7.55	7.49	7.15
		6.750	11/04	92–03	−24/32	7.87	7.78	7.82
		9.000	10/08	108–16	−29/32	8.00	7.92	7.86
US Treasury *		5.875	02/04	92–21	−20/32	6.92	6.96	6.63
		6.250	08/23	88–15	−33/32	7.20	7.27	6.99
ECU (French Govt)		6.000	04/04	91.2000	−0.600	7.27	7.35	6.96

London closing, *New York mid-day. Yields: Local market standard.
† Gross (including withholding tax at 12.5 per cent payable by nonresidents)
Prices: US, UK in 32nds, others in decimal. Source: MMS International

US INTEREST RATES

Lunchtime		Treasury Bills and Bond Yields			
		One month	3.86	Two year	5.50
Prime rate	6¾	Two month	3.70	Three year	5.93
Broker loan rate	5	Three month	3.99	Five year	6.46
Fed.funds	3 13/16	Six month	4.42	10-year	6.87
Fed.funds at intervention	-	One year	4.89	30-year	7.15

BOND FUTURES AND OPTIONS

France

■ NOTIONAL FRENCH BOND FUTURES (MATIF)

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Jun	121.92	121.24	-	121.98	121.18	271,568	126,837
Sep	120.98	120.38	-0.02	121.10	120.50	1,072	16,840
Dec	120.26	119.58	-0.08	120.26	120.22	723	2,095

■ LONG TERM FRENCH BOND OPTIONS (MATIF)

Strike Price	CALLS May	CALLS Jun	CALLS Sep	PUTS May	PUTS Jun	PUTS Sep
120	-	1.86	-	-	0.58	-
121	-	1.14	1.63	-	0.95	2.12
122	-	0.64	1.18	0.76	1.38	-
123	-	0.31	0.85	-	2.04	-
124	0.24	0.10	0.55	-	2.88	-

Est. vol. total, Calls 59,897 Puts 37,794 . Previous day's open int., Calls 467,613 Puts 341,354.

Germany

■ NOTIONAL GERMAN BUND FUTURES (LIFFE)* DM250,000 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	95.12	94.67	-0.25	95.47	94.50	221651	171667
Sep	94.62	94.17	-0.25	94.90	94.29	4309	11707

■ BUND FUTURES OPTIONS (LIFFE) DM250,000 points of 100%

Strike Price	CALLS Jun	CALLS Sep	PUTS Jun	PUTS Sep
9450	0.91	1.37	0.74	1.70
9500	0.65	1.14	0.98	1.97
9550	0.45	0.95	1.28	2.28

Est. vol. total, Calls 22685 Puts 24881. Previous day's open int., Calls 318887 Puts 300183

■ NOTIONAL MEDIUM TERM GERMAN GOVT. BOND (BOBL)(LIFFE)* DM250,000 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	-	99.80	-0.05	-	-	0	1880

Italy

■ NOTIONAL ITALIAN GOVT. BOND (BTP) FUTURES (LIFFE)* Lira 200m 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	112.91	111.89	-0.51	113.10	111.60	55241	78614
Sep	111.80	111.19	-0.69	111.80	111.10	132	1916

■ ITALIAN GOVT. BOND (BTP) FUTURES OPTIONS (LIFFE) Lira200m 100ths of 100%

Strike Price	CALLS Jun	CALLS Sep	PUTS Jun	PUTS Sep
11150	1.51	2.54	1.12	2.85
11200	1.25	2.31	1.36	3.12
11250	1.02	2.10	1.63	3.41

Est. vol. total, Calls 2042 Puts 1457. Previous day's open int., Calls 83530 Puts 80395

Spain

■ NOTIONAL SPANISH BOND FUTURES (MEFF)

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Jun	98.35	97.66	-0.35	98.45	97.58	57,204	116,111
Sep	-	97.33	-	-	-	76	823

UK

■ NOTIONAL UK GILT FUTURES (LIFFE)* £50,000 32nds of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	107-10	106-02	-0-25	107-15	105-23	96563	122354
Sep	-	105-05	-0-26	-	-	0	213

■ LONG GILT FUTURES OPTIONS (LIFFE) £50,000 64ths of 100%

Strike Price	CALLS Jun	CALLS Sep	PUTS Jun	PUTS Sep
106	1-28	2-20	1-24	3-10
107	0-62	1-58	1-58	3-48
108	0-39	1-35	2-35	4-25

Est. vol. total, Calls 2274 Puts 1837. Previous day's open int., Calls 97341 Puts 74016

Ecu

■ ECU BOND FUTURES (MATIF)

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Jun	88.60	87.96	+0.04	88.70	87.90	2,412	7,804

US

■ US TREASURY BOND FUTURES (CBT) $100,000 32nds of 100%

	Open	Latest	Change	High	Low	Est. vol.	Open int.
Jun	106-24	106-04	-0-17	107-08	106-01	539,600	424,044
Sep	105-25	105-04	-0-17	106-07	105-02	13,393	49,128
Dec	105-05	104-18	-	105-20	104-15	12,49	32,935

Japan

■ NOTIONAL LONG TERM JAPANESE GOVT. BOND FUTURES (LIFFE) Y100m 100ths of 100%

	Open	Close	Change	High	Low	Est. vol	Open int.
Jun	112.68	-	-	112.91	112.67	2998	0
Sep	111.85	-	-	111.85	111.84	12	0

* LIFFE contracts traded on APT. All Open interest figs. are for previous day.

FT-ACTUARIES FIXED INTEREST INDICES

Price Indices UK Gilts	Thu Apr 28	Day's change %	Wed Apr 27	Accrued interest	xd adj. ytd
1 Up to 5 years (23)	123.04	−0.05	123.10	1.39	4.13
2 5-15 years (23)	145.36	−0.47	146.05	1.66	4.84
3 Over 15 years (9)	165.02	−0.74	166.26	2.33	3.76
4 Irredeemables (6)	187.98	−0.84	189.57	−0.11	6.12
5 All stocks (61)	142.33	−0.39	142.89	1.68	4.46

	Low coupon yield Apr 28	Low Apr 27	Low Yr. ago	Medium coupon yield Apr 28	Medium Apr 27	Medium Yr. ago	High coupon yield Apr 28	High Apr 27	High Yr. ago
5 yrs	7.60	7.56	7.22	7.79	7.74	7.49	7.89	7.86	7.71
15 yrs	7.86	7.77	8.10	7.99	7.90	8.49	8.27	8.18	8.76
20 yrs	7.88	7.77	8.31	7.99	7.90	8.60	8.15	8.07	8.83
Irred.†	7.94	7.87	8.66						

Index-linked	Thu Apr 28	Day's change %	Wed Apr 27	Accrued interest	xd adj. ytd
6 Up to 5 years (2)	184.58	−0.08	184.74	0.35	2.53
7 Over 5 years (11)	178.82	−0.31	179.38	0.76	1.69
8 All stocks (13)	178.53	−0.29	179.04	0.71	1.77

	Inflation 5% Apr 28	Apr 27	Yr. ago	Inflation 10% Apr 28	Apr 27	Yr. ago
Up to 5 yrs	3.44	3.40	2.68	2.47	2.43	1.83
Over 5 yrs	3.46	3.46	3.57	3.29	3.27	3.39

Debentures and Loans	Thu Apr 28	Day's change %	Wed Apr 27	Accrued interest	xd adj. ytd	5 year yield Apr 28	Apr 27	Yr. ago	15 year yield Apr 28	Apr 27	Yr. ago	25 year yield Apr 28	Apr 27	Yr. ago
9 Debs & Loans (76)	133.54	−0.45	134.14	1.97	4.17	8.88	8.88	9.08	9.02	8.97	9.56	9.02	8.97	9.72

Average gross redemption yields are shown above. Coupon Bands: Low: 0%-7¾%; Medium: 8%-10¾%; High: 11% and over. † Flat yield. ytd Year to date.

FT FIXED INTEREST INDICES

	Apr 28	Apr 27	Apr 26	Apr 25	Apr 22	Yr ago	High*	Low*
Govt. Secs. (UK)	96.00	96.34	96.06	95.73	96.50	94.69	107.04	95.67
Fixed Interest	115.41	115.74	115.42	115.69	115.65	110.95	133.87	115.10

* for 1994. Government Securities high since compilation: 127.40 (9/1/35), low 49.18 (3/1/75). Fixed Interest high since compilation: 133.87 (21/1/94) , low 50.53 (3/1/75) . Basis 100: Government Securities 15/10/26 and Fixed Interest 1928. SE activity indices rebased 1974

GILT EDGED ACTIVITY INDICES

	Apr 27	Apr 26	Apr 25	Apr 22	Apr 21
Gilt Edged bargains	116.6	109.0	88.8	124.2	135.8
5-day average	114.6	125.5	125.5	124.6	115.6

FT/ISMA INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Latest prices at 7:00 pm on April 28

	Issued	Bid	Offer	Chg.	Yield
U.S. DOLLAR STRAIGHTS					
Abbey Natl Treasury 6½ 03	1000	93	93¼	-¼	7.60
AlbertaProvince 9⅜ 95	600	104⅞	105⅛	-⅛	5.91
Austria 8½ 00	400	106⅞	107⅛	-⅛	7.02
Bank of Tokyo 8⅜ 98	100	103⅞	104½	+⅛	6.17
[illegible]					
United Kingdom 7⅛ 97	5500	103¼	103⅜		6.05
Volkswagen Intl Fin 7 03	1000	99½	99⅞	+⅛	7.07
World Bank 0 15	2000	25⅛	25⅜	-⅛	6.54
World Bank 5⅞ 03	3000	94⅛	94¼	-⅛	6.72
World Bank 8¾ 00	1250	112¼	112⅝	+½	6.23
[illegible]					
Abbey Natl Treasury 8 03 £	1000	95⅛	95⅝	-¼	8.89
Alliance Leics 11⅞ 97 £	100	109⅝	110		7.89
British Land 8⅞ 23 £	150	91¾	92¼	-⅛	9.95
EIB 10 97 £	637	108⅛	108½		7.44
Halifax 10⅜ 97 £	100	106¾	107¼	-⅛	7.89
[illegible]					

[illegible]

STRAIGHT BONDS: The yield is the yield to redemption of the bid-price; the amount issued is in millions of currency units. Chg. day=Change on day. FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. [illegible] CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. [illegible]

UK GILTS PRICES

[illegible]

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%. (b) Figures in parentheses show RPI base for indexing (ie 8 months prior to issue) and have been adjusted to reflect rebasing of RPI to 100 in January 1987. Conversion factor 3.945. RPI for August 1993: 141.9 and for March 1994: 142.5.

Other Fixed Interest

[illegible]

● 'Tap' stock. ‡‡ Tax-free to non-residents on application. E Auction basis. xd Ex dividend. Closing mid-prices are shown in pounds.

COMPANY NEWS: UK

Gerrard & National to buy rest of GNI

By David Wighton

Shares in Gerrard & National rose 39p to 448p after the discount house and financial services company announced better-than-expected annual profits and the buy-out of the minority shareholders in its fastest growing business.

The group also said it was pulling out of gilt-edged marketmaking.

Gerrard is issuing shares worth £38.4m, after yesterday's rise, in return for the 32.4 per cent minority in GNI Holdings, its derivatives broker and fund manager.

GNI's profits leapt 75 per cent to £12.5m last year, helping peg group pre-tax profits at £25m (£25.2m) in the year to April 5. The previous year's results were boosted by the fall in interest rates following the UK's withdrawal from the Exchange Rate Mechanism.

Mr Brian Williamson, chairman, said the announcements represented the successful completion of the first phase of the company's strategy to improve the quality of earnings by expanding into broking and fund management.

"We have been trying to get away from being a specialist money dealer with volatile earnings and last year our efforts came to fruition. For the first time the dividend was covered by earnings from the broking division."

Earnings per share slipped from 38p to 34.7p but dividends edge up to 22p (21.5p) with a proposed final of 16p.

Profits from the trading division, which includes the Gerrard & National Ltd discount house, fell from £11.3m to £4.3m with the gilt-edged marketmaker contributing £1.2m (£2.7m). Mr Williamson said the marketmaker had been generally profitable since Big Bang in 1986 and its return on capital, at more than 15 per cent, had been higher than most of its competitors.

However, the group has decided "the obligations and risks of gilt-edged marketmaking exceed the benefits and rewards". It will continue to trade in gilts and there are no staff cuts planned.

Profits from the broking division rose by almost 50 per cent to £20.7m, fuelled by GNI Holdings which since 1985 has increased its profits by an average of 45 per cent a year.

Gerrard Vivian Gray, the stockbroker and fund manager, made profits of £4.17m (£2.44m).

● COMMENT

Group profits were better than the City expected and more heavily-weighted towards the broking businesses which have been the focus of its efforts over the last few years. There was also some relief that the gilt-edged marketmaker had coped with the market downturn rather better than it handled the bull run. The withdrawal from marketmaking should further improve the quality of group earnings while the acquisition, at a pretty good price, of the GNI minority should enable Gerrard to offer integrated services in areas such as fund management. Earnings per share should show some recovery this year, cutting the multiple below 13, while the yield is still more than 6 per cent. The rating looks well behind the times.

Industrial logic that's very compelling

How the Enterprise Oil chairman sees the future with the prospect of Lasmo in the pipeline

"This is a big boys' game", said Mr Graham Hearne, chairman and chief executive of Enterprise Oil, yesterday.

It is a message he will have to press home hard, judging by the generally sceptical reaction in the City to his £1.4bn bid for fellow independent oil company Lasmo. But there are several points to his game plan.

As his opening remark suggests, Mr Hearne is looking for size and strength. In an environment where low oil prices are exposing the weaknesses in the oil industry, he believes that a company needs "clout and credibility" if it is to succeed.

The combination of Enterprise and Lasmo, two medium-sized exploration and production companies, will have "critical mass" he says, as well as the financial and technical strength needed to operate on a world scale. The deal would virtually double Enterprise's reserves and production.

But having said that, Mr Hearne is also keen to dismiss the idea that he is after size for its own sake. "This is not megalomania. I feel very passionately about this," he said. And though a successful bid would greatly enlarge Enterprise, it would still be small relative to the oil "majors" – about one tenth the market capitalisation of Shell, for example. So there was no question of stifling Enterprise's flair but of creating more opportunities to put it to work.

Mr Andrew Shilston, finance director, said: "We aim to create further value, not just add the two companies together."

Although both companies are strong in the North Sea, their operations have relatively little overlap elsewhere, and cover all the continents.

The financial match is also good, Mr Hearne says. Lasmo is strapped for cash whereas Enterprise has completed the bulk of its £1.3bn capital spending programme and is about to reap the benefits in swelling cash flow.

By merging Enterprise's strong balance sheet with Lasmo's, he expects to end up with a gearing of 44 per cent. This is lower than Enterprise's existing gearing of 48 per cent because it will include the proceeds of Lasmo's current £219m rights issue.

"We have the cash and they have the exploration prospects," he said. "The industrial logic is very compelling".

Above all, Mr Hearne believes that Enterprise can make more of Lasmo's oil and gas assets than Lasmo itself, though he was unwilling to come up with any specific examples yesterday – or point fingers at particular members of Lasmo management, though he says it suffers from "continuing weakness" despite a reshuffle at the top.

However, some market sceptics point out that Enterprise's own recent record has not been that brilliant, despite its stronger market standing compared to Lasmo. Its earnings per share are down from late 1980 levels, and its exploration record has tailed off even though capital spending has gone up.

In particular, the market is worried that Enterprise is about to make the same mistake as Lasmo when it paid £1bn for Ultramar in 1991 in a bid for expansion, only to plunge into loss. Mr Hearne points to several differences.

One is that his bid will be paid for with shares rather than topped up with cash, leaving the balance sheet in good shape. "It is our policy to fund big deals with paper," he says.

A second is that, unlike Ultramar, Lasmo is not in the hard-pressed refining business. Another is that Enterprise is not planning on a "fire sale" of Lasmo assets to finance the deal, as was the case with Ultramar. And lastly, Mr Hearne believes that his offer has been pitched at a realistic level given the unexciting outlook for the oil price. "It's wrong to suppose that if you invest, the oil price will bail you out."

Mr Hearne says "I honestly do not know" when asked what might happen to the oil price. But he says the offer has been examined in the light of a whole range of assumptions from £9 to £12 a barrel.

David Lascelles

COMPANY PROFILES

	Enterprise Oil	Lasmo	Combined
Reserves (mboe)	881	747*	1628
Production ('000 boepd)	159	167	326
Acreage ('000 net sq km)	75	53	128
Countries of operation	18	12	26
Net assets (£m)	951	1058	2498**
Net debt (£m)	459	794	1034**
Gearing	48	75	44

*after disposals
**does not add up due to accounting adjustments
Pro forma balance sheet figures includes Lasmo rights issue proceeds (£219m) but exclude disposal proceeds.

Source: Enterprise Oil and annual reports

Hobson seeks £73m to help buy CWS manufacturing side

By David Blackwell

Hobson, the vehicle for 28-year-old Mr Andrew Regan, is planning to buy the food manufacturing division of Co-operative Wholesale Society Limited for £111m.

The deal will be financed through bank debt and the issue of 296.3m shares at 27p, to raise about £73m net of expenses.

Some 98.4m shares are being placed firm with a further 94.2m placed subject to a 1-for-1 clawback to existing shareholders. The balance of 103.7m are being offered to the public. Hobson is also proposing a reduction in capital.

Hobson has a market capitalisation of £25m. The shares, traded on the USM, were suspended on February 10 at 27p pending the announcement. Mr Regan became chief executive after reversing Cadismark, his household products business, into Hobson at the end of 1992.

The CWS division, known as FMG, mainly supplies own-brand label goods to the Co-op. It made a profit last year of £9.8m on sales of £304.2m, of which £221.6m were made to the Co-op. Three years ago sales to other retailers, including Sainsbury, Tesco and Safeway, were £51.8m, of which £38m were non-milk. Last year total sales rose to £82.6m, of which £78m were non-milk.

Mr Regan said the company was under-achieving with margins of about 3 per cent. A target of 6 per cent in two years would be realistic. He also wanted to continue the rapid rise in sales outside CWS, however, in order to protect its turnover, Hobson has a supply agreement with CWS for three years.

Once shareholders approve the offer at an EGM on May 23, Hobson will request dealings to restart on the Official List.

● COMMENT

The retailers must be rubbing their hands with glee as another own-brand supplier with excess capacity joins a fiercely competitive market. Assuming that by the end of next year the new management has doubled margins to 6 per cent, earnings per share would emerge at 3.9p. This puts the shares on a multiple of 6.9, which looks attractive and should ensure a premium. Hobson, however, is operating at the sharp end, and could soon find itself running hard to stand still.

Buckingham £104m loss after property write-down

By Simon Davies

Buckingham International, the hotels and property group, yesterday reported a pre-tax loss of £104m in the year to October 31, as a result of massive write-downs on the value of its properties.

The result, on turnover of £55.4m (£58.5m), compared with a £258,000 pre-tax profit last time.

The company completed a support plan in February, in the face of net borrowings of £92.9m, and a fall in shareholders' funds from £112.6m to £3.15m. This represents gearing of almost 3,000 per cent.

Mr John Clark, chief executive, said yesterday that the support plan was intact, in spite of the latest results.

However, Buckingham's bankers and £33m stock holders are still insisting that debts remain payable upon demand, in order to continue to put pressure on management to pursue its disposal programme.

The group's problems centre on rising debt and falling hotel values in the US and Portugal.

Of the £103m exceptional charge, £95.7m was related to property write-downs, of which more than 60 per cent was on Portuguese investments.

Buckingham has only tentative support from its creditors. Its survival relies on the Inland Revenue allowing the postponement of £2.7m of tax payments, and on the failure of an ongoing £12m legal claim against the company.

Mr Clark admits that all this "is necessarily uncertain". The support plan runs until October, when Buckingham hopes to refinance its debt.

Buckingham sold the Holiday Inn, Lisbon, and its nursing home division, for a total of £16m. This was a significant component of the support plan.

The shares fell by 1½p to 4p yesterday, which compares with its 1991 high of 51¼p.

Counterbids played down by possible frontrunners

The buoyancy of Lasmo's share price yesterday suggested that the market is either expecting Enterprise to raise its offer, or the arrival of a counterbid.

The second possibility, however, was played down by many of the companies rumoured to be planning a run at Lasmo.

British Gas, which made an unsuccessful bid for Lasmo in 1991, said it did not "comment on market rumour," and was not planning to make any announcements on the subject.

Analysts in London dismissed the possibility of a bid from British Gas as highly unlikely. This view was reinforced by yesterday's profits warning at the annual meeting.

Elf Aquitaine, the French oil group which was privatised earlier this year, also declined to comment. But industry observers in Paris played down the possibility, pointing to Elf's debt-equity ratio of 48 per cent and the strategy of its chairman, Mr Philippe Jaffré, who has given priority to the reduction of borrowings.

"Elf is not in a financial position to bid for Lasmo," said Mr Vincent Bazi, head of research at Barings Securities in Paris.

Elf may, however, be seeking to restructure its relationship with Enterprise Oil, in which it currently holds 10 per cent and with which it operates Elf-Enterprise, a joint exploration and production company owned 66 per cent by the French group.

Elf is thought to be considering selling its 10 per cent stake in Enterprise and taking full control of the joint company.

"This would allow it to fully consolidate cash flow from the company", said one industry observer.

Total, France's other large oil company, denied it was interested in Lasmo. "We are not a buyer", the group said.

Total already has a strong presence in the North Sea and is expected to see a sharp increase in production from new sites, particularly in Latin America.

"They don't really need to reinforce upstream activities, their main objective is to reinforce downstream and refining," said one analyst.

Atlantic Richfield, the US oil company, would not comment on speculation that it would also make a bid for Lasmo.

Financial Staff

£82m rights issue to help purchase tour operator and cruise ship

Airtours acquires SAS Leisure

By Michael Skapinker, Leisure Industries Correspondent

Airtours, the holiday group, yesterday announced that it was buying Scandinavia's largest tour operator and a cruise ship. It also launched an £82m rights issue to help fund the purchases.

Airtours is buying SAS Leisure from Scandinavian Airlines System for £74m. SAS Leisure, which has 31 per cent of the Scandinavian tour operating market, owns or manages 14 resort hotels and has a 50 per cent stake in Premiair, a charter airline.

Mr David Crossland, Airtours' chairman, said the purchase of the 752-berth ship from Closter Cruise of Norway, would require an investment of £16m – including the cost of refurbishment. Airtours will begin selling cruises in the Mediterranean and the Canary Islands to both UK and Scandinavian customers in spring 1995.

Mr Crossland said that if the venture was successful, Airtours would invest in further cruise ships, although there were no immediate plans to do so.

The rights issue is on a 1-for-5 basis at 390p a share. Airtours' shares fell 24p yesterday to close at 424p.

Mr Crossland said the purchase of SAS Leisure would provide the enlarged group with greater strength in the purchase of accommodation, aviation fuel and airline insurance.

He said the Scandinavian company's hotels had average occupancy levels of 73 per cent, compared with close to 100 per cent at Airtours' own hotel in Majorca. He said the combined group would be able to boost occupancy substantially at the newly-acquired hotels.

Mr Crossland added that SAS Leisure was expected to return to profit in the year to December 31 after incurring pre-tax losses of SKr94m (£8m) in 1993.

He said the purchase would be earnings enhancing in the current year.

● **COMMENT**

When Airtours ventured from its Lancashire base to London to launch its ultimately unsuccessful bid for its rival Owners Abroad, it showed better judgment than the City. Shareholders backed Owners Abroad's top executives, only to see them depart last year when profits dived. When Airtours moved on to Cardiff to buy Aspro Travel last year its judgment was less sure. It is now suing the vendors for fraudulent misrepresentation. Airtours' decision to wade into the icy waters of Scandinavia clearly has the City shivering. As a move into a new, and for UK investors, relatively unknown market, the SAS Leisure purchase has its dangers. But it would be a pity if a company which has achieved the UK growth that Airtours has did not try to reproduce that success on a wider stage. If Airtours is to expand outside its UK base, this is the time to do it. The Scandinavian company has already cut costs and Airtours' UK summer 1994 bookings are up 42 per cent.

Redrow scales down flotation proposals

By Andrew Taylor, Construction Correspondent

The recent decline in housebuilding shares yesterday persuaded Redrow, the third housebuilder to come to the market this year, to scale down its flotation plans.

The company announced that 87m shares would be sold at 135p apiece, raising a total of £117m and giving a market capitalisation of £298m.

At the beginning of March issue proposals were expected to place a value of £350m on the company.

Redrow is raising £55.4m from the sale of 41m shares while Mr Steve Morgan, the founder and chief executive, is raising £62m from the sale of 46m shares, reducing his stake to 60 per cent.

Mr Morgan had planned to raise £100m, reducing his stake to about 50 per cent, but decided to reduce the size of the sale following the recent decline in building shares.

Up to 35 per cent of the shares will be sold to the public with the remainder placed with institutions.

The issue price puts the shares on a prospective p/e of 17.1 on forecast pre-tax profits of £21m for the year to June 30.

The notional gross yield on a forecast total dividend of 2.7p is 2.5 per cent.

Barclays de Zoete Wedd has fully underwritten the offer with Cazenove acting as broker.

Applications close at midday on May 9 with dealings due to start on May 17.

Mr Morgan said that proceeds from the issue would be used to repay group borrowings of £25m and to finance land purchases.

● **COMMENT**

Redrow is the pick of the housebuilders to float this year. It follows Beazer Homes and Wainhomes, both of which have recently been trading below their issue prices as construction shares have underperformed the FT-SE-A All-Share Index by 8 per cent since the end of February. Earlier in the year Redrow had been looking at price of about 145p but has carefully pitched the issue to stand at a small discount to class acts in the sector like Wilson Bowden and Berkeley. Redrow does not look out of place in this company and the shares deserve to open at a small premium.

David Brown shares fall on cautious statement

By Andrew Bolger

Shares in David Brown Group, the Yorkshire-based specialist engineer which came to the market last April, fell by 23p to 263p after the company sounded a cautious note on trading.

Mr Derek Kingsbury, chairman, said the group – which in November bought the hydraulics and transmissions division of Hamworthy from Powell Duffryn for £11.1m – still saw few signs of widespread recovery.

He said: "Progress remains largely dependent on the many initiatives our management is taking to grow the businesses, together with the benefits from rationalisation and turnround of the Hamworthy operation."

Pre-tax profits rose from £9.3m to £10.8m in the year to February 4, but the increase was entirely due to the post-flotation reduction in interest payments to £234,000 (£1.78m).

Turnover rose to £86.5m (£81m), because of an 11-week contribution from the Hamworthy operations.

Despite a small profits contribution from the new businesses, operating profit was flat at £11.1m, which the group said reflected the difficult conditions in its main markets.

The vehicle transmissions division maintained sales and profits, in spite of a first-half gap between orders for gearboxes in the Challenger 1 and Challenger 2 tanks.

The group said a 20 per cent drop in sales to the military had been replaced by developing commercial business.

Mr Chris Brown, joint chief executive, said the recent government decision to buy up to 259 Challenger 2 tanks was likely to extend the group's order book from 1997 well into the next century.

The pumps division increased sales, but operating profits fell by 26 per cent because of a change in the sales mix towards lower-margin business.

Some 150 jobs have been shed from the Hamworthy operations at Poole, Dorset, and of the two factories there, one is being closed.

A further 100 net jobs will be lost in the transmissions business.

Pro-forma earnings per share were flat at 14.1p. A final dividend of 4.3p gives a total of 6.4p

● **COMMENT**

The shares have had a good run since flotation at 170p, but the tone of this statement caused analysts to downgrade expectations. There was disappointment over the extent of pricing pressure in special products, which makes custome-built gearboxes, and the recent collapse of Lancer Boss will not help the group – sales to the lift-truck maker were worth more than £1m a year, and a hefty bad debt charge is expected. The strategy of consolidating and modernising the group's businesses still makes a lot of sense, but the benefits may take longer to materialise than had been hoped. Even after yesterday's 9 per cent fall, a prospective multiple of 18 puts the shares on a 16 per cent premium to the market – which looks fully valued.

New chief warns of 'period of instability'

By Paul Cheeseright, Midlands Correspondent

Pre-tax profits at British Gas in the first quarter will be similar to those of last year, But the underlying trend is downwards and the full-year outcome will be lower than 1993 after an exceptional charge of £1.65bn is stripped out.

The shares fell 15p to 280p.

Mr Richard Giordano, taking the chair at the annual meeting in Birmingham for the first time since his appointment last January, predicted a period of instability, as the group restructured.

This would lead to a drop in service, although that service "will stack up well compared with what will be offered by competitors," he said.

Earlier he had warned that "thousands of British Gas managers and workers will have to learn new ways of doing business and in a relatively short time. It will not be accomplished without stress and conflict."

British Gas made the exceptional charge in its accounts in the year to December 31 to cope with the cost of closures and 25,000 redundancies. The effect was to plunge the group, on a current cost basis, to a loss of £613m. Profits before exceptionals were £1.07bn.

Mr Giordano told shareholders that 1994 profits would be below this level as the group was squeezed by competition and the effect of regulation. But pre-tax profits of £898m were indicated for the first quarter as the group predicted a similar result to last year.

British Gas unveiled a new logo at the AGM, "a new corporate identity," Mr Giordano said.

Charles Sidney in £3m purchase

By Paul Taylor

Charles Sidney, the Yorkshire-based Mercedes-Benz commercial vehicle and passenger car dealer spun off by Albert Fisher last year, is paying £3.1m cash for the Aberdeen and Dundee Motor Group.

The vendor is Motherwell Bridge Holdings, one of the largest privately-owned engineering companies in Scotland.

Charles Sidney also reported a 4 per cent rise in pre-tax profits to £1.3m for the six months to February 28 on turnover ahead 8 per cent at £2.92m (£2.71m).

Operating profits were flat at £1.25m after charging additional central costs of £165,000. Profits at the pre-tax level were boosted by £46,000 of interest receipts compared with £12,000 of interest costs a year earlier.

Mr Raymond Edwards, chairman, said "performance in our first six months as a public company was in line with our expectations".

Earnings per share slipped to 3.9p (4p), mainly reflecting low returns from holding the new money raised at the time of flotation on deposit during the period. A maiden interim divided of 1.2p is declared. The acquisition marks the first step in Sidney's growth strategy set out at the time of flotation in November.

As well as expanding the group's geographic coverage, which is particularly important for the truck fleet market, the deal will increase trucks and car unit sales by about 20 per cent.

Aberdeen and Dundee Motor operates Mercedes-Benz commercial vehicle franchises in Aberdeen and Dundee and the Mercedes-Benz passenger car franchise in Dundee.

Last year the operations returned profits of £469,000 before interest, group management charges of £146,000 and tax.

Keller 1.3 times subscribed

Keller Group, the international ground engineering company, said its placing and intermediaries offer had been 1.3 times subscribed, writes Andrew Bolger.

The flotation priced the shares at 130p, giving the group a market value of £72.8m.

It placed firm 19.2m shares with institutional investors and 14.99m shares conditionally, subject to recall for the intermediaries offer. Dealings are expected to start on May 5.

Fitzwilton lifts Wellworth stake

By Tim Coone in Dublin

Fitzwilton, the Irish holding company chaired by Mr Tony O'Reilly, chief executive of Heinz, surprised the market with the announcement of a 1-for-1 open offer worth I£47.3m (£45.9m) to lift its stake in the Northern Ireland-based Wellworth food retailing group from 42.7 per cent to 97 per cent.

At the same time Fitzwilton announced a pre-tax loss of I£13.8m (I£27.9m restated) for the year to December 31 1993, after an I£18.2m provision for goodwill write-off on the proposed disposal of its M6 cash and carry division in the UK.

Operating profits more than doubled from I£4.3m to I£10.5m, largely on the back of the turnround at Waterford Wedgwood, in which Fitzwilton has a 9.4 per cent stake.

The open offer, at 43p per share, is underwritten by Morgan Grenfell and together with various options being exercised by Mr O'Reilly lifts the total shares in the group from 117m to 252m.

Fitzwilton's original 42.7 per cent stake was bought for £18.3m. The additional 54.3 per cent will cost £41.6m on completion, and £75m in senior and mezzanine debt used in the original purchase in October 1992 by Erne, the buy-out vehicle, will be taken into the Fitzwilton balance sheet giving a post-acquisition gearing of about 93 per cent.

According to Fitzwilton, Wellworth had audited net assets of £63.9m at December 31. It showed operating profits of £18.2m on turnover of £252.6m. This compared with £18.6m in pre-tax profits on turnover of £236m for the year to April 25 1992, prior to its buy-out from Isosceles.

Fitzwilton's stake in its Rennicks subsidiary, a road sign manufacturer, is also to be increased from 51 to 76 per cent, costing I£2.9m.

Losses per share came to 14.77p, while headline earnings per share amounted to 1.63p compared with losses of 2.77p in 1992. An unchanged final dividend of 2p is proposed for a 3.5p total.

● **COMMENT**

Fitzwilton has a history of acquisitions and disposals over the years which have done little to enhance shareholder value. Its cash and carry and motor vehicle finance divisions have each stayed about five years in the group, and have resulted in a total goodwill write-off of some I£43m on disposal. One can only hope that its new focus on the highly competitive business of food retailing will not end up similarly blurred five years down the road. A 1994 earnings figure of about 3.5p looks probable giving a prospective p/e in excess of 15, and making even the discounted open offer price of 43p look close to being fully valued.

VTR seeks £3m for expansion

By David Wighton

Shares in VTR, the video post-production house, rose 20p to 166p yesterday on news of a £2.95m rights issue and trebled half-year profits.

The company has also applied for a move from the USM to a full listing.

Group pre-tax profits for the six months to end-February jumped from £202,000 to £697,000 on turnover up 38 per cent at £5.75m.

The interim dividend is lifted 21 per cent to 1.45p, payable from earnings per share of 6p (1.7p).

The final distribution will be maintained at at least 2.55p on the enlarged capital.

Mr John Banks, managing director, said the new funds would enable the group to continue its capital investment programme and take advantage of possible acquisition opportunities.

Capital expenditure has been running at about £2m a year, leaving the company with net debt of £2.8m and gearing of 65 per cent at the end of February.

The rights issue, fully underwritten by Greig Middleton, is on a 1-for-3 basis at 125p a share.

Losses deepen to £1.53m at CI

By Paul Cheeseright, Midlands Correspondent

Losses increased at CI Group, the Wolverhampton-based engineer, as it absorbed the costs of selling an unprofitable French steel mill and a new round of redundancies.

For the year to January 31, pre-tax losses were £1.53m (£338,000) after redundancy costs and disposal losses totalling £2.05m (£2.85m). During the year Société Métallurgique de Brévilly, the French subsidiary, was sold and the workforce cut by 11 per cent to less than 1,000.

Turnover was £66.7m (£65.6m) including £4.5m (£6.93m) from discontinued activities.

Losses per share rose to 1.54p (0.47p). However, the group is paying what Mr Rob Yates, chief executive, called "a very modest final dividend" of 0.1p as a gesture of confidence for the present year. With an interim of 0.4p, which was covered at the time, the total is 0.5p, half the previous year's 1p.

CI also announced that its new chairman would be Mr Robert Jordan, who until 1991 was chief executive of Foseco. He succeeds Mr Patrick McTighe who died on April 17.

Go-Ahead Group to raise £12m from flotation

By Andrew Bolger

The Go-Ahead Group, the Gateshead-based bus service operator, is to place 17.5m shares at 120p each in a flotation which will give it a market value of £40.1m.

The proceeds of £12m will be used to pay back all of the debt assumed to finance its recent purchase of the Brighton and Hove Bus Company and the Oxford Bus Company.

About 16.96m shares are being placed firm with institutions, with the balance being offered to the group's 3,500 employees. After the flotation, the directors will control 34 per cent of the equity.

The placing has been fully underwritten by Hill Samuel, with Panmure Gordon acting as broker. Dealings are expected to start on May 9.

Abbey National 20% ahead in first quarter

By John Gapper

Abbey National, the bank and mortgage lender, yesterday disclosed pre-tax profits 20 per cent higher for the first quarter of the year, compared with 1993, while directors said there was "a clear upward trend in the housing market".

Lord Tugendhat, chairman, said at the annual meeting that there was "a positive outlook" for 1994, with the UK retail banking provisions charge expected to be lower over the year.

He added that Abbey's policy of locking in a spread on its investments meant that treasury operations had been "little affected" by turbulence in bond markets, and profit volatility in derivatives had been "minimal".

GEC offer for Ferranti units cleared

GEC's purchase of parts of Ferranti International will not be referred to the Monopolies and Mergers Commission, as the Office of Fair Trading has concluded that the deal did not raise competition concerns, writes Bernard Gray.

GEC agreed to buy Ferranti's defence systems integration business and its training and simulation business from the receivers on March 30.

It is thought to have offered about £100m for the two businesses. GEC is thought to be interested in Ferranti's 50 per cent stake in a sonar joint venture with Thomson, the French electronics company.

Ferranti's systems integration business designs command and control systems for ships and air defence.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corres - ponding dividend	Total for year	Total last year
Berry Birch §	fin	3.3	July 8	3.3	5.4	5.3
Charles Sidney	int	1.2	July 15	-	-	-
CI	fin	0.1	July 1	0.175	0.5	1
David Brown	fin	4.3	June 17	-	6.4	-
Fitzwilton	fin	2¶	Sept 30	2	3.5	3.5
Flogas	fin	5.5¶	June 16	4.98	8.74‡	7.92
Folkes	fin	0.925	July 1	0.925	1.5	1.5
Garrard & Natl	fin	16	July 8	15.5	22	21.5
Hicking Pent	fin	3.05	August	2.65	4.6	4
Hi-Tec Sports	fin	1.5	July 29	1	2.75	2
Hopkinsons	fin	0.8	July 29	0.4	1.3	1.3
Investors Cap	int	1.3☆	June 9	1.275	-	5.125
K'wort High Inc	int	1.875‡‡	July 4	1.875	-	7.5
Majedie Invest	int	2	July 1	2	-	5
PCT §	fin	4.75	July 1	4.75	7.25	7.25
Scot Mortgage	fin	2.75	July 1	2.65	4.1	4
VTR §	int	1.45	June 16	1.2	-	3.75

Dividends shown pence per share net §USM stock. ¶Irish pence. ☆ Second interim making 2.6p to date. ‡For nine months. ‡‡Third interim making 5.625p to date.

Stanhope cuts loss and sees further advance

By Simon Davies

Stanhope Properties, the development and investment company which jointly owns the Broadgate development, announced lower interim losses of £9.3m, against £15.4m. Turnover for the six months to December 31 fell from £27.5m to £17.1m.

At the end of the period negative net worth stood at £15m but Mr Stuart Lipton, chief executive, said he was confident Stanhope would achieve a positive value by the June 30 year end.

However, the company remains under pressure to proceed with the refinancing of its £130m of debt, after incurring losses of £277m in the two previous fiscal years.

Mr Lipton said Stanhope was talking to a number of groups over refinancing proposals, which might include the sale of Broadgate or equity financing. An agreement would be reached before the end of the year, he said.

One of the companies involved in the talks is British Land, which on Wednesday completed its purchase of a 29.9 per cent stake in Stanhope.

The purchase is being disputed by Stanhope, as breaching pre-emption rights agreed with Olympia & York, the collapsed Canadian property group, whose stake was sold via its bankers, the Bank of Nova Scotia.

Mr John Ritblat, British Land chairman, said yesterday: "We bought the shares because they were offered to us, and because we thought it would be of mutual advantage.

"Stanhope has done rather well, because the share price has almost doubled and it has encouraged interest in the property."

Broadgate Properties, contributed an operating surplus of £500,000, compared with losses of £4.9m, which was the main factor behind an improvement in the share of losses of associates of £1.22m (£6.46m). However, the 1994 figure was helped by the capitalisation of £10m of interest costs.

Broadgate is now 96 per cent let. In addition, a further 215,000 sq ft of the Ludgate development has been let, leaving it 34 per cent vacant.

Stanhope's net interest payments fell to £6.1m (£11.6m), because of the proceeds from property sales.

The company has obtained planning consent for a 1,000 acre development near Cambridge in a joint venture with Alfred McAlpine. It will comprise 3,000 houses, a business park and a retail centre.

British Land Quantum buy

Total property investments of the British Land Quantum Fund have been taken up to £500m with the £70.5m purchase of a freehold building at 122 Leadenhall Street, in the City of London, writes Simon Davies.

Mr John Ritblat, British Land chairman, said the property, bought from Union Bank of Switzerland, offered an excellent location at an attractive price.

Average rents were about £30 per sq ft, but there are large rent-free periods on some leases. The building had been substantially refurbished following the damage from the IRA bomb explosion in 1992.

The property, with a net area of almost 180,000 sq ft, is 80 per cent let to Banque Indosuez and is believed to be on a yield of 7.5 per cent.

The purchase follows the fund's acquisition of the £19.2m Barwell Business Park and the £128m purchase of a portfolio from Royal Insurance.

The fund was formed last June between British Land and Mr George Soros as a £500m investment partnership, but it is looking to invest up to £1bn in the UK property market.

In addition to its property holdings, the fund will also hold the British Land stake in Stanhope. It plans to use this in an attempt to buy Broadgate Properties.

Hicking Pentecost expansion

Hicking Pentecost, the textile and industrial products group, is buying the Barbour Campbell industrial thread manufacturing business for a maximum £8.93m, writes Graham Deller.

The deal is to be partly funded by a placing and open offer to shareholders, fully underwritten by Credit Lyonnais Laing, to raise about £7.9m net of expenses.

Barbour Campbell, a former Hanson offshoot, was acquired by its management in 1989 for £25.8m. After expansion it lapsed into losses, blaming the recession and high interest rates. It sold its troubled linen yarn subsidiary in September last year; the remaining business being acquired by Hicking made operating profits of £1.6m in the 18 months to March 26 1993, on turnover of £44.2m.

Consideration will be satisfied by up to £400,000 cash and the issue of up to 4.06m shares at 220p apiece. The shares rose 7p to 234p yesterday.

An initial £5.53m is payable on completion with further payments dependent on profit performance.

CLL has conditionally placed 4.13m shares with institutions at 210p per share, subject to clawback on a 1-for-4 basis at the same price.

Hicking also said it expected to achieve pre-tax profits of £3.4m (£2.85m) for the 12 months to March 31 1994. Estimated earnings per share were 15.25p (13.01p). A second interim dividend of 3.05p is declared, making a total for the year of 4.6p (4p).

Scottish Mortgage beats benchmarks

By Bethan Hutton

Net asset value at Scottish Mortgage and Trust, Baillie Gifford's flagship international general investment trust, rose by 17 per cent to 257.4p per share over the year to March 31, beating both the FT-SE-A All-Share Index and the FT-A World Index over the same period.

Total net assets reached a new year-end high of £1.04bn at end-March, compared with £1.03bn a year earlier.

The trust said it had not made any significant strategic shifts in asset allocation, apart from a slight reduction of exposure to the smaller Pacific markets at the end of 1993 on the grounds that they were overvalued.

However, the trust said it was still enthusiastic about the region for the long term.

As at March 31, some 51 per cent of the trust's assets were in UK equities, compared with 48.7 per cent 12 months earlier.

Japan accounted for 4 per cent (2.9 per cent), and other Pacific markets 14.1 per cent (10.3 per cent).

The sale by the end of 1993 of a portfolio of gilts, which had been financed largely by variable rate borrowings, contributed to profits.

The trust has since acquired a new gilt portfolio during market weakness, again using variable rate borrowings.

Earnings advanced by 7 per cent, to 4.12p per share.

A final dividend of 2.75p is proposed, giving a total of 4.1p, up 2.5 per cent from last year's 4p, an increase marginally ahead of inflation.

US hikers put Hi-Tec back on track

By David Blackwell

Trevor Humphries

Frank van Wezel: aiming for 1m sales of Sierra Lite hiking boots

The US penchant for hiking boots helped Hi-Tec, the sports and leisure wear company which is 54 per cent owned by its founder, Mr Frank van Wezel, to return to the black in the year to January 31.

Pre-tax profits emerged at £1.13m, compared with an £8.3m loss previously. Turnover rose by 18 per cent to £126.2m (£106.9m).

The profits were struck after £2.43m of exceptional items, including £442,000 for cost cutting measures in the UK and the Netherlands and £437,000 for capital restructuring in the US. However, most of this was offset by an exceptional tax credit of £1.68m.

Last time exceptional charges of £4.82m were incurred through the closure of the continental European sales network.

North America accounted for most of 1993's profits, making £5m (£2.4m) on sales of £48m (£29.4m).

Mr Peter Butler, finance director, said the group was well placed to exploit the nineties trend for "outdoor" footwear. The company expected this year to sell 1m pairs of its Sierra Lite hiking boots.

Footwear is now sold through independent distributors in continental Europe, where turnover fell by £6m to £22.2m. Mr Butler said that in continental Europe the footwear side was breaking even. But sales at Cofex, which makes fashion jackets, had fallen by 9 per cent, pushing the division into the red.

The UK and Ireland division made profits of £1.85m (£1.58m loss) on sales of £40.8m (£37.5m).

In the rest of the world, turnover rose from £11.8m to £15.2m, helped by the fashion trend to US-style outdoor footwear. Operating profits were £900,000 (£400,000).

Net interest payable rose to £2.77m (£2m), giving gearing of 84 per cent (81 per cent).

Earnings were 3.7p (18.8p loss). The final dividend of 1.5p makes a total of 2.75p (2p).

Monarch delay over switch to Toronto

By Kenneth Gooding, Mining Correspondent

Shares in Monarch Resources fell 18p to 283p early yesterday after the company, which has gold mining and exploration activities in Venezuela, revealed that it had run into problems with the timing of its plan to switch its quotation from London to the Toronto stock exchange.

Monarch said the scheme was being delayed by two to four weeks to give time for gold market conditions to stabilise. Since it announced the plan on March 29, the price of gold bullion has fallen by 4 per cent, from $390 to $374 a troy ounce and gold company share prices in Toronto have fallen by between 15 and 20 per cent.

The company previously said it was disillusioned by London investors' lack of interest in smaller mining companies. It planned to raise $30m (£20.5m), principally from Canadian investors, so that it could apply for a listing in Toronto where investors had a better understanding of gold stocks.

Present shareholders would be able to take part via an open offer for up to £7m. At a special meeting which approved these arrangements yesterday, it was also announced that the closing date for the shareholder offer had been extended from May 4 to May 16.

After the market had time to absorb the full implications, Monarch's share price recovered slightly to 290p.

Hopkinsons declines by 69% to £642,000

By Paul Taylor

Hopkinsons Group, the industrial abrasives, engineering equipment and plastic products company which issued a profits warning in January, yesterday reported a further decline in full-year profits, but, as expected, is maintaining its dividend.

Pre-tax profits fell by 69 per cent to £642,000 in the year to January 31, down from £2.06m in 1992 when the group carried an exceptional charge of £600,000 covering redundancies at the Bryan Donkin engineering business.

Turnover slipped to £99m (£102.5m), but the decline was cushioned by exchange rate movements. Based on constant exchange rates, sales would have fallen by 6.5 per cent to £95.9m. After a tax credit of £287,000 (£1.02m charge), reflecting German losses and the release of tax provisions, earnings per share slipped to 1.17p (1.31p).

A final dividend of 0.8p (0.4p) is recommended, making an unchanged total for the year of 1.3p.

Operating profits fell by 62 per cent to £1.42m (£3.79m), partly reflecting a swing into losses by the abrasives division. Despite success in exports outside western Europe and cost reductions, the division reported a £1.24m loss (£374,000 profit) on sales which slipped to £53m (£53.6m).

Further reductions in demand from the UK gas industry adversely affected the engineering operations, although this was partly offset by continued development of export markets. The division reported reduced profits of £451,000 (£2.04m) on turnover of £24.9m (£29.1m).

Anglian Group £0.4m purchase

Anglian Group, the Norwich-based double glazing company, is to pay £400,000 in cash and shares for 77.5 per cent of Living Design (Home Improvements).

Living Design, based in Scotland, is a supplier of double glazing and kitchens with an annual turnover of £13m.

Consideration will be met via £200,000 in cash and the issue of 76,924 new ordinary shares.

Wyevale sells retail park for £9.7m

Wyevale Garden Centres has exchanged contracts for the sale of Homelands Retail Park for £9.7m cash. The proceeds will be used to repay a £7.5m bank loan associated with the site at Chelmsford, Essex.

Wyevale, the UK's largest garden centre group, which graduated from the USM to a full listing last year, also announced that Mr Christopher Powell had resigned as chairman and from the board in order to devote more time to his other business interests.

He has been succeeded by Mr John Rudgard, previously a non-executive director of Wyevale and also managing director and chief executive of HP Bulmer, the cider group.

The retail site has a net asset value of £6m and for 1993 pre-tax profits, comprising rental income less expenses, amounted to £500,000.

NEWS DIGEST

Recession puts Folkes in red

Folkes Group, the property and engineering concern, fell into the red in 1993 with pre-tax losses of £1.72m, against profits of £1m. Continuing activities showed profits down from £2.31m to £1.1m.

Mr Constantine Folkes, chairman, said that the recession and fierce competition had resulted in a squeeze on margins.

Turnover was £39.4m (£39.8m) of which £35.6m (£34.1m) was related to continuing activities. Exports increased by 17 per cent, which meant they represented 20 per cent of sales.

Property reported an operating profit of £2.51m (£2.4m) as vacant commercial property was cut from 13 per cent to 6 per cent over the year. Engineering and services showed a loss of £1.23m (£68,000) despite severe cost cutting due to a deterioration in market prices.

Losses per share were 4.68p (earnings 1.24p) but in view of prospects, the recommended final dividend is held at 0.925p for an unchanged total of 1.5p.

PCT looks for growth overseas

An increasing emphasis on overseas markets enabled PCT Group, the Glasgow-based engineering equipment maker, to report static results for 1993.

On turnover of £21.2m (£20.5m) pre-tax profits were £1.47m (£1.4m). Earnings per share were 11.28p (10.46p) and the final recommended dividend is held at 4.75p for a maintained total of 7.25p.

The company said that the continuing recession in the UK resulted in sales falling by 7.3 per cent. However, there was a "significant" increase in exports which accounted for 24.1 per cent of total sales against the previous year's 15.3 per cent.

The shares are quoted on the USM.

Toye cuts deficit to £511,000

Over 1993 – "a year of transition" according to directors – Toye & Company, the civil and military regalia manufacturer, reduced pre-tax losses from £1.46m to £511,000.

The outcome, achieved on turnover of £10.9m (£10.5m), including £9.44m (£8.98m) from continuing operations, was after a provision of £105,000 against the discontinued corporate clothing offshoot.

The integration of the Cornelia James Neckwear business, acquired last July, was completed by the year-end and should contribute to profits in the future.

Losses per share narrowed to 21.41p (51.56p).

Laser-Scan jumps to £113,000

Laser-Scan Holdings, the USM-quoted maker of digital mapping systems and high resolution laser plotters, reported a jump in pre-tax profits from £80,000 to £113,000 in 1993.

Mr Jim Utterson, chairman, said the improvement was achieved in spite of continuing difficult economic conditions in most of the group's markets.

Turnover fell to £9.59m (£10m) as a result of the impact of the Inegi contract, most of which was delivered in 1992.

The group launched its Open Systems software platform during the year, and agreement for its use has been reached with IBM in North America and Ssang Yong in South Korea. As the group intends to concentrate on developing the software it is to discontinue the in-house manufacture of Imaging Systems hardware, the costs of which will be reflected in the 1994 results.

After tax of £166,000 (£1,000), losses per share amounted to 0.3p (0.5p earnings).

Vosper Thornycroft £8.6m acquisition

Vosper Thornycroft Holdings, the Southampton-based shipbuilding and engineering group, has acquired HSDE (Holdings) for an initial £8.6m. A performance-related deferred consideration of up to £500,000 may also be paid.

HSDE designs, makes and services electronic systems for controlling and monitoring equipment in a wide range of industry sectors. It made pre-tax profits of £1.5m on turnover of £16.9m in 1993.

The acquisition begins Vosper's establishment of an enterprises group to develop businesses in markets independent of its warship contracts.

Operating costs hit Berry Birch

Increased operating expenses at Berry Birch & Noble resulted in a reduction in pre-tax profits in the year to January 31 from £1.06m to £670,000.

In January, the USM-quoted financial services group had warned of an expected lower result and the market reacted yesterday by raising the share price 16p to 134p.

Sales from continuing operations rose 11 per cent to £7.1m (£6.4m), but operating expenses increased by £1m to £6.51m.

As forecast, a maintained final dividend of 3.3p makes a 5.4p (5.3p) total. Earnings per share declined to 7.6p (12.8p).

Abtrust New Thai net assets improve

Undiluted net asset value per ordinary share of the Abtrust New Thai Investment Trust improved from 133.02p to 179.08p over the 12 months ended February 28. The fully diluted figure emerged at 165.9p against 127.52p.

After-tax revenue rose to £206,159 (£183,925), equal to earnings per share of 1.37p (1.23p). The single dividend for the year is maintained at 1p.

Unilever buys out Japanese partner

Unilever, through its National Starch and Chemical Company offshoot, has bought out Kanebo, its partner in Kanebo-NSC, a joint venture based in Osaka, Japan, for an undisclosed sum.

The company makes adhesives, resins and speciality chemicals and reported sales of Y17bn (£105m) in 1993.

Investors Capital net assets rise

Net asset value per ordinary share of Investors Capital Trust, ultimately owned by British Assets Trust, edged ahead from 132p to 139.4p over the 12 months ended March 31.

For the six months to end-March available revenue amounted to £6.18m (£5.75m). Group earnings per share emerged at 2.48p (2.31p). A second interim dividend of 1.3p makes 2.6p (2.55p) to date.

Majedie net asset value improves

Majedie Investments had a net asset value per share of 234p at March 31 1994, against 221p at the September 30 year-end.

Net available revenue for the six months rose from £1.26m to £1.34m for earnings per share of 2.55p (2.41p). The interim dividend is held at 2p.

COMMODITIES AND AGRICULTURE

Brussels plans to blacklist CAP fraudsters

By Deborah Hargreaves

Companies involved in defrauding the Common Agricultural Policy could be permanently excluded from participating in any European Union regimes, according to a proposal by the European Commission.

The Commission yesterday formally put its plans for drawing up a blacklist of companies involved in fraudulent activities to member governments.

The idea of a blacklist follows a report from the European Court of Auditors criticising the Commission and member countries for not doing enough to stamp out fraud in the Ecu36bn farm budget. Some estimates put the amount of farm funds lost through fraud at Ecu200m a year.

The Commission is now looking at a system for levying penalties at EU-level from companies involved in fraud. Penalties are currently left to individual member governments which are not consistent in applying them.

Mr Rene Steichen, the EU farm commissioner, wants to make the blacklist available in all EU countries so that companies could find their trading activities affected.

"Even the suspicion of fraud could be enough to get some companies put on the blacklist," said one Commission official.

The Commission is also trying to get around the problem of companies involved in defrauding the CAP closing down and opening up under another name.

The blacklist is expected to target companies or traders which have deliberately or as a result of serious negligence defrauded farm funds or can be justifiably suspected of having done so. But the Commission is aware that the measure could be highly sensitive legally and politically.

In addition, the blacklist is not likely to be adopted much before the end of the year as the Commission must wait for an opinion from the European Parliament. Elections to the parliament will hold its comments up until September at the earliest.

Most funding in place for Nigerian LNG project

By Paul Adams in Lagos

The second stage of funding for the Nigerian liquefied natural gas company is now in place.

The government and its foreign partners, Shell, Elf and Agip, recently increased the total shareholders' capital in two escrow accounts to about $1bn, most of the equity that it expects to need for the project, which has an estimated total cost of between $4.5bn and $5bn.

About 40 per cent will be equity and the rest from loans.

Schroders merchant bank is helping the company to raise finance from export credit agencies and other official lenders while the International Finance Corporation will lead the commercial bank funding.

"A lot of people were sceptical about Nigeria raising the cash but it has paid 60 per cent of the cash so far," says Mr Theo Oerlemans, the new managing director.

Subject to funding, the final investment decision is due early next year, once the contract for construction has been awarded to one of two consortiums led by Bechtel and Kellogg, both using the American APCI process.

NLNG plans to start shipping 5.6m tonnes a year from two LNG trains by early 1999 to its four end-users, of which two thirds will go to Italy's Enel and the rest to Enagas of Spain, Gaz de France and Distrigas in the US.

The company was relaunched last December when the state-owned Nigerian National Petroleum Corporation agreed to reduce its 60 per cent stake to 49 per cent and Shell in effect took control. When the shareholding has been restructured in the coming months, Shell will own 24 per cent, Elf 15 per cent, Agip 10 per cent and the International Finance Corporation is committed to take 2 per cent.

Rescuing land from the creeping desert

Deborah Hargreaves on UN efforts to rehabilitate barren, eroded land in Africa

In the Yatenga region of Burkina Faso in Africa, farmers are rehabilitating barren, uncultivated land by digging small pits and filling them with manure. The dung attracts termites which digest it and start digging holes. In this way the insects increase soil fertility and the land's capacity to filter water.

Rehabilitated land in this region is now giving high yields of millet and sorghum of over 1,000kg a hectare compared with much of Africa's agricultural land, which is suffering from overgrazing, overcropping and bad irrigation. The United Nations estimates that a quarter of the Earth's agricultural land is at risk of becoming a desert.

This erosion of agricultural land in the world's dry zones is "one of the gravest problems our planet and its people face", according to the UN, which is trying to broker a deal between countries over action on desertification with a final treaty expected to be signed at a conference in Paris on June 6-18.

At the same time, the International Fund for Agricultural Development, a Rome-based UN agency, is trying to demonstrate how land erosion can be tackled with small-scale local projects aimed at turning barren areas back into viable agricultural land.

In 1989 Ifad took producers from Niger to Burkina Faso to see the land reclamation project. Those farmers decided to adapt the methods used in Yatenga to their local conditions. By 1991 hundreds of Niger farmers had joined the project.

Mr Bahman Mansuri, director of Ifad's Africa division, says the example illustrates the importance of drawing on local skills and know-how to reclaim degraded land. "Indigenous technologies are very important because they are low-cost, manageable by farmers and closely linked to local conditions," he explains.

Ifad has spent $700m on similar projects in sub-Saharan Africa since 1985 involving over 2m farmers. The organisation is holding a workshop in Washington on Monday to try to increase public awareness of the problems caused by desertification worldwide.

The UN Environmental Programme estimates that it will cost between $10bn and $22bn a year for 20 years to combat the problem of land degradation. This compares with just $1bn currently being spent and rich nations are reluctant to promise more.

> Erosion of agricultural land in the world's dry zones is 'one of the gravest problems our planet and its people face' according to the UN

"This is a real test of whether governments are serious about protecting the fertility of this planet or not," says Mr Nick Dunlop, London co-ordinator of EarthAction, a network of 850 environmental groups in 111 countries. "It's a question of how development resources are spent: some funds could be re-directed from large infrastructure projects to help the poor conserve their own land."

Mr Mansuri stresses the importance of working with local farmers: "One of the greatest weaknesses of most large-scale soil and water development projects financed with international support is that they come grinding to a halt as soon as external project funding is withdrawn," he says.

In Africa, Ifad is helping local farmers to conserve water and soil in a number of ways, largely using low-tech ideas coming from the farmers themselves.

Earth mounds are used in some areas where weeds are heaped into piles and covered with soil between plants. These mounds help to slow run-off and also become mini-compost heaps. In addition, stone bunds or rock walls about 1 foot high built along contour lines can help to reduce the amount of soil washed away by the rain.

Half moons are shallow, semi-circular pits dug into barren areas near deserts and filled with manure. These ditches catch water when it falls and enable grasses to grow for feeding cattle. Ifad helped to install this system in northern Niger, close to the Sahara desert and thick grass soon covered what had been barren fields.

Another ingenious way of rejuvenating the land is to construct a network of stone squares on naked rock which are filled with silt and soil from a nearby river bed. Manure is added and vegetables can be grown.

These techniques can halt land degradation almost immediately, with crop yields increasing by 30 per cent and because the results are so quick, farmers are encouraged to continue.

Mr Mansuri is keen to spread these practices over a wide enough area in Africa to prevent future famines, but for that he has to raise more money. "At the Earth Summit countries were all worried about the ozone layer and what happens if the ceiling falls on our heads," he says, "but I'm saying the ground is crumbling beneath our feet."

India tries to crack its cashew nut problem

Development of processing capacity has far outstripped output, writes Kunal Bose

India, the world's biggest producer and exporter of cashew nuts, has earned nearly Rs10bn (£210m) from the export of 60,000 tonnes during the year to March 1994, up from Rs7.45bn in 1993-94, when the amount exported was 53,241 tonnes.

However, the country last year had to import nearly 10,000 tonnes of raw cashews for processing and re-export.

Because of the lack of co-ordinated planning cashew processing capacity has run well ahead of requirements. There are now 677 factories, mostly in the southern parts of the country, which together could handle over 650,000 tonnes of nuts a year. But annual domestic production of raw nuts is only about 350,000 tonnes.

As is the case with so many other crops, cashew productivity in India lags behind the competition – at less than 650kg a hectare, compared with over 1,000kg in other major producing countries.

India has about 540,000 hectares under cashews, most of it in the coastal areas, and according to the National Commission on Agriculture, it should be able to produce 700,000 tonnes of raw nuts by the year 2000.

Experts do not, however, accept the commission's contention that it should be possible to produce this amount from 350,000 hectares by raising productivity to 2,000kg a hectare. They maintain that achieving the turn of the century production target would require both productivity improvement and the devotion of more land to the crop.

The most important initiative to be taken for improving productivity is the encouragement of the cultivation of clonal materials from high yielding varieties. The National Research Centre for Cashew has developed nearly 30 such varieties and in some areas of Maharashtra where their use has been combined with efficient horticulture practices yields of up to 1,300kg a hectare have been achieved.

The setting up of 40 regional nurseries in the first phase will go a long way towards meeting the demand for high quality planting material. Scientists say state authorities must ban the use of low-yielding, low-quality seedlings.

Though cashew is a highly resilient crop that withstands drought, supplementary irrigation during the flowering and fruiting period gives a useful boost to productivity. Similarly, the use of fertilisers, particularly nitrogen, leads to a higher cashew yield. Supplementary irrigation and use of fertilisers need to be promoted through farm extension programmes, according to the experts.

While many trees in the traditional growing areas need immediate replacement, the crop is becoming increasingly popular in new centres like Madhya Pradesh and Gujarat. And more and more farmers are being drawn to cashew nuts as inter-cropping with pineapple, groundnut and coconut has proved successful.

MARKET REPORT

Coffee claws back losses

The July COFFEE futures price rose by $45 a tonne yesterday to $1,521 a tonne in London as the market clawed back previous days' losses and prices were pushed up by strong fund buying in New York, writes Deborah Hargreaves.

The market shrugged off confirmation of Brazil's plans to sell 2.4m bags from its government stockpile this year and the news that exporters could take part in the auction if the price reached 85 cents per pound.

Traders said fundamentally tight supplies of coffee were continuing to fuel the market's rise and attracting speculative buying. The producers' retention scheme has helped create a rundown in stocks of coffee held by consumers.

COPPER led a general rise at the London Metal Exchange as it mounted a successful assault on resistance at $1,930 a tonne, for three months delivery, reports Reuter.

Dealers said the rise, which took the three months delivery position to $1,936, up $16, in after hours trading, was encouraged by trade buying and covering against short positions, plus some option-related covering.

COMMODITIES PRICES

BASE METALS

LONDON METAL EXCHANGE

(Prices from Amalgamated Metal Trading)

■ ALUMINIUM, 99.7 PURITY ($ per tonne)

	Cash	3 mths
Close	1280-80.5	1305-5.5
Previous	1265.5-6.5	1292-3
High/low	1282.5	1310/1298
AM Official	1282.5-83	1307-7.5
Kerb close		1308-09
Open int.	257,021	
Total daily turnover	43,046	

■ ALUMINIUM ALLOY ($ per tonne)

	Cash	3 mths
Close	1310-15	1310-15
Previous	1305-10	1305-10
High/low		1320
AM Official	1315-20	1320-25
Kerb close		1310-20
Open int.	4,148	
Total daily turnover	776	

■ LEAD ($ per tonne)

	Cash	3 mths
Close	452.5-3.5	467-8
Previous	437-8	452-3
High/low		469/457
AM Official	450.5-1.5	465.5-6.0
Kerb close		468.5-69
Open int.	34,614	
Total daily turnover	8,434	

■ NICKEL ($ per tonne)

	Cash	3 mths
Close	5380-90	5450-60
Previous	5255-60	5325-30
High/low	5360	5500/5365
AM Official	5380-1	5415-20
Kerb close		5495-500
Open int.	54,702	
Total daily turnover	12,488	

■ TIN ($ per tonne)

	Cash	3 mths
Close	5410-15	5470-75
Previous	5365-70	5430-35
High/low		5480/5450
AM Official	5409-10	5470-75
Kerb close		5470-80
Open int.	16,878	
Total daily turnover	6,236	

■ ZINC, special high grade ($ per tonne)

■ COPPER, grade A ($ per tonne)

■ HIGH GRADE COPPER (COMEX)

PRECIOUS METALS

■ LONDON BULLION MARKET

Precious Metals continued

■ GOLD COMEX (100 Troy oz.; $/troy oz.)

■ PLATINUM NYMEX (50 Troy oz.; $/troy oz.)

■ PALLADIUM NYMEX (100 Troy oz.; $/troy oz.)

■ SILVER COMEX (100 Troy oz.; Cents/troy oz.)

ENERGY

■ CRUDE OIL NYMEX (42,000 US galls. $/barrel)

■ CRUDE OIL IPE ($/barrel)

■ HEATING OIL NYMEX (42,000 US galls.; c/US galls.)

■ GAS OIL IPE ($/tonne)

■ NATURAL GAS NYMEX (10,000 mmBtu.; $/mmBtu.)

■ UNLEADED GASOLINE NYMEX (42,000 US galls.; c/US galls.)

GRAINS AND OIL SEEDS

■ WHEAT LCE (£ per tonne)

■ WHEAT CBT (5,000bu min; cents/60lb bushel)

■ MAIZE CBT (5,000 bu min; cents/56lb bushel)

■ BARLEY LCE (£ per tonne)

■ SOYABEANS CBT (5,000bu min; cents/60lb bushel)

■ SOYABEAN OIL CBT (60,000lbs; cents/lb)

	Sett price	Day's change	High	Low	Open int	Vol
May	28.56	+0.04	28.69	28.45	11,306	8,994
Jul	28.46	+0.06	28.58	28.36	37,050	19,802
Aug	28.11	+0.07	28.23	28.04	11,356	1,831
Sep	27.49	+0.01	27.58	27.45	11,138	735
Oct	26.49	+0.03	26.55	26.43	8,365	498
Dec	25.77	-0.01	25.85	25.70	15,486	2,110
Total					96,842	34,886

■ SOYABEAN MEAL CBT (100 tons; $/ton)

	Sett price	Day's change	High	Low	Open int	Vol
May	190.2	+1.0	191.2	189.5	11,709	8,941
Jul	190.7	+1.6	191.9	190.0	36,633	13,925
Aug	190.0	+1.9	190.9	189.3	11,385	1,959
Sep	188.3	+1.8	189.2	187.5	7,790	413
Oct	185.9	+1.6	186.7	185.2	5,135	738
Dec	184.9	+1.7	185.8	184.2	12,958	1,241
Total					88,193	27,361

■ POTATOES LCE (£/tonne)

	Sett price	Day's change	High	Low	Open int	Vol
May	262.8	-0.20	264.0	263.0	311	30
Jun	262.5	-	-	-	-	-
Nov	90.0	-	-	-	-	-
Mar	105.0	-	-	-	-	-
Apr	131.0	+3.5	130.0	127.0	449	33
May	140.0	-	-	-	-	
Total					760	63

■ FREIGHT (BIFFEX) LCE ($10/index point)

	Sett price	Day's change	High	Low	Open int	Vol
Apr	1381	-1	-	-	827	-
May	1375	+6	1380	1371	827	56
Jun	1275	+1	1285	1271	482	37
Jul	1170	-5	1190	1170	818	20
Oct	1283	+8	-	-	270	-
Jan	1333	-	-	-	144	-
Total					3,256	113

	Close	Prev
BFI	1397	1386

SOFTS

■ COCOA LCE (£/tonne)

■ COCOA CSCE (10 tonnes; $/tonnes)

■ COCOA (ICCO) (SDR's/tonne)

■ COFFEE LCE ($/tonne)

■ COFFEE 'C' CSCE (37,500lbs; cents/lbs)

■ COFFEE (ICO) (US cents/pound)

■ No7 PREMIUM RAW SUGAR LCE (cents/lbs)

■ WHITE SUGAR LCE ($/tonne)

■ SUGAR '11' CSCE (112,000lbs; cents/lbs)

■ COTTON NYCE (50,000lbs; cents/lbs)

■ ORANGE JUICE NYCE (15,000lbs; cents/lbs)

MEAT AND LIVESTOCK

■ LIVE CATTLE CME (40,000lbs; cents/lbs)

■ LIVE HOGS CME (40,000lbs; cents/lbs)

■ PORK BELLIES CME (40,000lbs; cents/lb)

LONDON TRADED OPTIONS

LONDON SPOT MARKETS

INDICES

■ REUTERS (Base: 18/9/31=100)

■ CRB Futures (Base: 4/9/56=100)

CROSSWORD

No.8,441 Set by HIGHLANDER

ACROSS

1 Carry on to back of leaf – there's several to prune out (6,4,4)
10 Incidentally, leave out the side road (5)
11 Better to take current debts as sizeable (9)
12 Arranged a looser spray (7)
13 Go through text of one exercise to modify again (7)
14 Gets close to new listeners (5)
16 Conclude animal fur (not tail) is in gallery (9)
19 Bring down ball that's gone too far (9)
20 Bird to feel sorry for losing its head (5)
22 Deals with rigging on forepart of ship (7)
25 To respond legally in the matter of exercise (2,5)
27 Large number – 1,000 last month – due it originally (9)
28 Sale (25% off) operating in hairdresser's shop (5)
29 Primate calling for dishonest behaviour (6,8)

DOWN

2 Reduce cover, not capital (5,4)
3 Deep hole – one near ship (5)
4 Unconventionally scale a rocky peak using powered conveyor (9)
5 Starts to uncover peccadillos for every superior (5)
6 Fruit drink in Egypt (9)
7 Fiddle with flower girl in Twelfth Night (5)
8 Favour wild otters on tip of estuary (7)
9 Get in wrecked boat first (6)
15 Subordinate has to notify it in rough sea (9)
17 Fats in the ranks? That's disorderly behaviour (9)
18 After a season's growth fodder store goes up in Greek citadel (9)
19 Best work – it uplifted parent (7)
21 Difficult score in Rugby centre? (6)
23 Officer's brief regarding punctuation (5)
24 Some of the girls quibble about throwing firework (5)
26 Moved higher, lifting title by two points (5)

Solution 8,440

JOTTER PAD

هكذا من الاصل

LONDON STOCK EXCHANGE

MARKET REPORT

Early gains sharply reversed towards the close

By Terry Byland,
UK Stock Market Editor

The return to business in the US securities markets soon reversed the optimistic mood in London yesterday afternoon, sending share prices down sharply towards the close in the wake of weakness in British government bonds. The stock market also reacted sharply to a profits warning from British Gas which topped the active stocks list as its shares fell heavily as worries gathered regarding the dividend outlook.

The FT-SE Index was more than 17 points ahead in early dealings, buoyed by a firm start in bond prices in the UK and in other European markets. The equity session opened with the widely expected bid for Lasmo from Enterprise Oil, which offered £1.45bn, wholly in shares and warrants valued by Enterprise at 150p for each Lasmo share.

Shares in Lasmo remained comfortably above the Enterprise terms, with the market clearly looking for a rival offer, perhaps from British Gas. Later its profits warning was regarded as not relevant to any plans it might have for Lasmo, although some institutions sold Lasmo shares near the end of the session. Selling appeared to reflect fund managers' preference for cash rather than Enterprise paper.

The stock market came back from its best levels, with ICI giving some ground in spite of generally satisfactory profits figures. ICI shares had performed well ahead of the results, encouraged by good trading news from leading chemical groups in Germany and the US, and profit-taking was enough to turn the shares lower following the statement.

However, UK equities continued to trade confidently until US markets re-opened in the face of statistics on gross domestic product and durable goods orders which failed to please either equities or bonds in New York.

The apparent slowing of growth in the US first quarter depressed Wall Street, while the rise in price deflator, hinting at inflation, hit Federal bonds. In London, gilts turned down by a full point and the Footsie by more than 20 points to show a final reading of 30.1 at 3,129.9.

Trading volume jumped smartly as marketmakers recognised that London was still unable to resist the influence of both Wall Street and the bond markets. The final Seaq total of 756.5m shares was more than one-fifth down from Wednesday's figure, which in turn showed a lower retail, or customer, value of £1.27bn; recent daily averages have been closer to £1.50bn.

The FT-SE Mid 250 Index, slower to respond to US influences than the blue chip Footsie list, closed 3.5 up at 3,797.4. The London market has been slow to respond to this week's flow of improved corporate results and increased bid activity, and traders were disappointed to see the sharp reaction yesterday to the bad news from British Gas. Confidence in the pace of economic recovery has now replaced near term base rate hopes as the significant factor behind UK stocks.

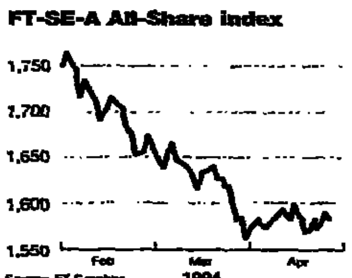
By the close, when the FT-SE 100 was virtually at the day's low and the futures contract on the Index was showing a substantial discount to the underlying equity stocks, the overall picture was decidely negative. Not even the sharp rise in profits at General Motors seemed likely to brighten the picture on Wall Street and nervousness regarding the timing of the next tightening move from the US Federal Reserve unsettled investors in London.

Account Dealing Dates

*First Dealings:	Apr 11	Apr 25	May 16
Option Declarations:	Apr 21	May 12	Jun 2
Last Dealings:	Apr 22	May 13	Jun 3
Account Day:	May 3	May 23	Jun 13

*New time dealings may take place from two business days earlier.

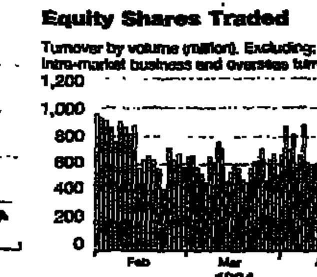
FT-SE-A All-Share index



Source: FT Graphite

Equity Shares Traded

Turnover by volume (million). Excluding: Intra-market business and overseas turnover



■ **Key Indicators**

Indices and ratios

FT-SE 100	3129.9	-20.1
FT-SE Mid 250	3797.4	+3.5
FT-SE-A 350	1591.7	-7.4
FT-SE-A All-Share	1583.51	-6.72
FT-SE-A All-Share yield	3.66	(3.65)

FT Ordinary Index	2504.2	-5.6
FT-SE-A Non Fins p/e	20.61	(20.70)
FT-SE 100 Fut Jun	3120.0	-33.0
10 yr Gilt yield	7.97	(7.87)
Long gilt/equity yld ratio:	2.23	(2.21)

Best performing sectors

1. Other Ser & Bus .... +1.1
2. Other Financial .... +0.7
3. Pharmaceuticals .... +0.6
4. Household Goods .... +0.5
5. Property .... +0.5

Worst performing sectors

1. Gas Distribution .... -4.9
2. Oil Exploration .... -3.0
3. Utilities .... -1.9
4. Water .... -1.7
5. Telecommunications .... -1.6

Profits warning hits Gas

A profits warning from British Gas chairman Mr Richard Giordano at the group's annual meeting, and a growing worry among fund managers that a dividend cut could be on the horizon, saw Gas shares tumble in exceptionally heavy trading. Mr Giordano said first quarter profits were the same as the comparable period, but warned that profits for the rest of the year would not match those of last year.

Trading at 300p before the meeting, the shares subsequently dropped to close a net 15 off at 280p. Turnover of 26m was the highest single-day's business since last August when the Monopolies and Mergers Commission released its report on the gas industry.

Some analysts questioned whether Mr Giordano's comments were designed to win sympathy from the government as it assembles the ground rules for competition in the domestic gas sector.

However, Mr Steve Turner of Nomura, one of the more bearish analysts on Gas, said: "The dividend is not under threat; earnings will move ahead in 1995 as a result of Gas's cost cutting efforts.

But Mr Chris Perry at Charterhouse Tilney maintained his deeply bearish view of Gas; "To achieve dividend cover of two times, Gas needs annual earnings growth of 40 per cent; the shares are a sell down to at least 250p."

Lasmo sellers

Evidence that some of the big institutions had been selling Lasmo stock in the market, following the first shot in what is expected to be a protracted takeover battle, saw Lasmo ordinaries and nil-paids lose ground.

Neither the market, nor Lasmo was impressed with the terms of the all-paper bid from Enterprise Oil, which the latter valued at 150p a share. Lasmo ordinaries dipped to close 5¼ lower at 157p after more big turnover of 22m, while the nil-paids settled 4¼ to 53p with 15m changing hands. Enterprise fell 21 at 424p.

However, dealers and analysts said the market still expected a counter bidder for Lasmo to emerge, citing British Gas and Total as favourites. Elf, which retains a 10 per cent stake in Enterprise, was ruled out, while Atlantic Richfield, the US group is thought to have been unhappy with the results of its acquisition of UK oil group Tricentrol in the late 1980's.

Dealers said the level of activity in Lasmo since the rights issue last week suggested at least one and possibly more stake builders had been operating in Lasmo shares.

First quarter figures from ICI were, at £93m, on the bright side of expectations but a share price rise of 50p in one week proved unsustainable. The shares ignored the spate of subsequent upgrades and responded more to a weak US market by sliding 22 to 831p with 3.8m traded.

Smith New Court, which has been a supporter of the stock, maintained its bullish stance with analyst Mr Charles Lambert commenting: "Recovery is obviously getting under way. The company gave a very good upbeat meeting."

Elsewhere, Hoare Govett, which has been negative on the company for several years shifted its recommendation from hold to undervalued and raised its end-of-year forecast by £45m to $450m, around the top of the existing range of analysts' estimates. Kleinwort Benson continued to be merely holding the stock and pointed out that the 31 per cent improvement in profits was from a very low base. Analyst Mr Jeremy Chantry lifted his forecast by £35m to £430m but said earnings per share would remain broadly unchanged.

Glaxo rose in response to an aggressive legal move and worrying news for its Swedish rival, Astra. But the shares were taken back from their high of 580p by a sell-off in the US to close 5 up at 569p.

Initially, the shares responded to a Swedish newspaper article about Astra's Losec, the principal competition for Glaxo's top product, Zantac. The article said the German health authorities had received reports from other European countries on possible side effects from Losec.

Then, in the afternoon, Glaxo announced it was initiating legal action against Geneva Pharmaceuticals, the US arm of Switzerland's Ciba Geigy, which has claimed it can bypass Glaxo's patent on Zantac. The move had been flagged but one analyst said: "It does illustrate that the company is not rilling over and playing dead." The legal action includes Uquifa, the Spanish arm of Holliday Chemicals whose shares have only just recovered from a profits warning in November. The shares rose a penny at 223p.

Leading property stocks remained in positive territory, with James Capel reiterating its positive stance on the sector. Analyst Mr Andrew Causer said that encouraging prospects for rental recovery would underpin sentiment and favour those stocks with prime retail properties and rental potential, such as Land Securities, up 2 at 670p, and British Land ahead 4 at 409p. The latter yesterday paid £70.5m for a City of London property.

Abbey National shares were heavily traded but failed to hold on to an initial small rise that followed news that the company's pre-tax profits in the first quarter are more than 20 per cent higher than the same period last year. The shares closed 6 off at 442p after turnover of 6m, with dealers reporting switching into Royal Bank of Scotland, 3 at 393p.

Gerrard & National, the financial services group, was one of the market's best individual performers, the shares racing up 39 to 448p after the good results and news that it was buying the rest of GNI, its derivatives subsidiary.

Holiday operator Airtours remained friendless as it announced the details of its purchase of SAS Leisure. The shares slumped a further 24 yesterday, closing at 424p, in heavy turnover approaching 900,000. Airtours has slid 60p on the week and 162p since its year-high on February 9. Analysts blamed the stock's fall on the lack of synergies in the latest purchase – to be largely funded by a £82m one-for-five rights issue at 390p – and concerns over growth prospects.

Reed International rose 12p to 837p with dealers saying NatWest had reiterated its long-term outperformance stance.

The day's two newcomers both enjoyed healthy market debuts; SuperscapeVR, issued at 198p, closed at 261p while Oxford Molecular settled at 84p, a premium of 4 to the 80p issue price.

MARKET REPORTERS:
Steve Thompson,
Christopher Price,
Peter John.

■ Other statistics, Page 30

NEW HIGHS AND LOWS FOR 1994

NEW HIGHS (88).
BLDG MATLS & MCHTS (5) Hewetson, Johnston, Kingspan, Pilkington, Do Wrts., CHEMICALS (8) TRIBUTORS (1) Acal, DIVERSIFIED INDLS (7) ELECTRNC & ELECT EQUP (8) ENGINEERING (8) FR, How, Rolls Royce, SKF, Spirax-Sarco, Vickers, ENG VEHICLES (3) Daimler-Benz, Trinity, Volvo, EXTRACTIVE INDS (2) Rockwood, Stillontain, INVESTMENT TRUSTS (4) LEISURE & HOTELS (2) Ramsden's (H), Spear (JW), MEDIA (3) Metal Bulletin, Midland, VTR, OIL EXPLORATION & PROD (4) OTHER SERVS & BUSNS (1) PHARMACEUTICALS (1) Fisons, PRTNG, PAPER & PACKG (3) Arjo Wiggins Appleton, Sappi, Sidlaw, PROPERTY (5) Bucknall, Compco, RETAILERS, GENERAL (3) Liberty, Do NV, Signet, SUPPORT SERVS (2) Corporate Servs., Sema, TEXTILES & APPAREL (1) Dawson Intl., TRANSPORT (1) Seacon, SOUTH AFRICANS (1) Anglo Am.
NEW LOWS (93).
GILTS (8) OTHER FIXED INTEREST (2) BANKS (3) Bank of Scotland 9¼pc Prf., Espirito Santo Finl., TSB, BREWERIES (1) Hallam, BUILDING & CNSTRN (5) Amco, Berkeley, Clarke (T), Prowting, Westbury, BLDG MATLS & MCHTS (2) Bardon, Blue Circle, CHEMICALS (1) Wardle Storeys, DISTRIBUTORS (1) Diploma, ELECTRICITY (1) Midlands, ENGINEERING (3) Hall, Hunting 6¾pc Prf., Rubicon, EXTRACTIVE INDS (5) FOOD MANUF (1) Nestle, GAS DISTRIBUTION (1) British Gas, INSURANCE (5) INVESTMENT TRUSTS (7) INVESTMENT COMPANIES (12) LEISURE & HOTELS (3) Airtours, Do 6¾pc Prf., Buckingham Intl., LIFE ASSURANCE (3) MEDIA (2) SMAP, Flextech, OIL, INTEGRATED (1) OTHER FINANCIAL (1) OTHER SERVS & BUSNS (1) Perth, PHARMACEUTICALS (2) Astra, Proteus Intl., PRTNG, PAPER & PACKG (3) Lawson Mardon, NMC, RETAILERS, GENERAL (2) Christies Intl., Coles Myer, SUPPORT SERVS (3) TELECOMMUNICATIONS (1) British Telecom, TEXTILES & APPAREL (2) Hartstone, Leeds, TOBACCO (1) BAT 12½pc Ln. 2003/08, TRANSPORT (4) Sea Containers, Tiphook, Transport Dev., Vard, WATER (4) Anglian, Northumbrian, Severn Trent, Wessex, AMERICANS (4) CANADIANS (3).

EQUITY FUTURES AND OPTIONS TRADING

Disappointing US economic data put a stop to a gently rising futures market yesterday, although turnover improved on this week's low levels, *writes Christopher Price.*

The June contract on the FT-SE opened firmly, hitting 3,168 at the outset and immediately finding enough buyers to nudge it forward during the morning session. But there was little for the market to focus on in terms of economic or financial statistics and the Bundesbank's decision not to move rates typified the featureless early trading.

It all changed in the early afternoon with the release of disappointing GDP and inflation figures from the US, and June immediately retraced its steps, a move reinforced when Wall Street opened sharply lower.

June closed at 3,121, its low of the day, but with turnover a more respectable 12,289 contracts – compared with 6,900 on Wednesday. Dealers said Wall Street's attempt at a recovery in after hours trading had lifted June to 3,125.

Turnover in traded options was also higher, with 42,721 contracts dealt against 37,037 the previous session. Among the stock options, bid target Lasmo once again figured strongly at 2,083 contracts, although food retailer Sainsbury led the way at 2,303.

■ FT-SE 100 INDEX FUTURES (LIFFE) £25 per full index point (APT)

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	3158.0	3120.0	-33.0	3177.0	3115.0	13307	52184
Sep	3183.0	3138.5	-33.0	3183.0	3183.0	1	720
Dec	-	3149.5	-33.0	-	-	0	210

■ FT-SE MID 250 INDEX FUTURES (LIFFE) £10 per full index point

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	3810.0	3785.0	-15.0	3810.0	3800.0	200	3578

■ FT-SE MID 250 INDEX FUTURES (OMLX) £10 per full index point

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	-	3782.5	-	-	-	-	913

All open interest figures are for previous day. † Exact volume shown.

■ FT-SE 100 INDEX OPTION (LIFFE) (*3129) £10 per full index point

	2950 C	2950 P	3000 C	3000 P	3050 C	3050 P	3100 C	3100 P	3150 C	3150 P	3200 C	3200 P	3250 C	3250 P	3300 C	3300 P
May	180	5	134	10½	92	20	59	36½	32	62½	15½	96½	7	140½	2½	190½
Jun	190½	22½	151½	34½	116	47	86½	66½	60	91	39½	120	24½	158½	14	197½
Jul	206½	34	172½	46½	137½	62	108	83½	82½	107½	62	137½	44½	170½	36	208
Aug	231½	51½	193½	63	159½	79½	130	100	102½	122½	81	151	60	181	46	217½
Dec†			253	112½			193	150½			142	198½			97	254½

Calls 9,740 Puts 5,205

■ EURO STYLE FT-SE 100 INDEX OPTION (LIFFE) £10 per full index point

	2925		2975		3025		3075		3125		3175		3225		3275	
May	193½	4	152½	8	109½	15	72½	27½	42½	48½	22	76½	10½	114½	4	157½
Jun	211½	17½	170½	26½	133½	39½	100½	56	72½	77½	50	105	33½	137½	21½	175
Jul	226½	26½			152½	51½			93½	91½			51½	148½		
Sep	259½	50½			198½	79			132	118½			86½	171		
Dec†	381½	84			233½	113½			175½	152			127	200		

Calls 3,577 Puts 3,110 * Underlying index value. Premiums shown are based on settlement prices.
† Long dated expiry months.

■ EURO STYLE FT-SE MID 250 INDEX OPTION (OMLX) £10 per full index point

	3750	3800	3850	3900	3950	4000	4050	4100
May	40	60 55	40	80 18	18	5½		

Calls 0 Puts 0 Settlement prices and volumes are taken at 4.30pm.

TRADING VOLUME

■ **Major Stocks Yesterday**

	Vol. 000s	Closing price	Day's change
ASDA Group†	5,300	55½	+¼
Abbey National†	6,000	442	-6
Albert Fisher	1,700	56	+2
Allied-Lyons†	1,100	586	-2
Anglian Water	451	479	-9
Argos	1,700	365	-2
Argyll Group†	3,300	233½	-3½
Arjo Wiggins†	1,800	308	+4½
Assoc. Brit. Foods†	598	597	+7
Assoc. Brit. Ports	807	279	+1½
BAA†	701	981	-3
BAT Inds.†	4,500	462	+1
BET	2,600	123	
BICC	685	451	+1

FT - SE Actuaries Share Indices — The UK Series

	Apr 28	Day's chge%	Apr 27	Apr 26	Apr 25	Year ago	Div. yield%	Earn. yield%	P/E ratio	Xd adj. ytd	Total Return
FT-SE 100	3129.9	-0.6	3150.0	3125.3	3106.1	2788.8	3.87	6.35	18.93	36.06	1162.48
FT-SE Mid 250	3797.4	+0.1	3793.9	3777.7	3767.8	3110.4	3.24	5.37	22.82	35.20	1392.41
FT-SE Mid 250 ex Inv Trusts	3812.8	+0.1	3809.0	3792.0	3783.3	3141.8	3.36	5.78	21.38	36.42	1394.02
FT-SE-A 350	1591.7	-0.5	1599.1	1587.9	1579.5	1390.3	3.72	6.12	19.73	17.50	1209.91
FT-SE SmallCap	1942.90	+0.2	1939.35	1936.83	1933.20	1585.17	2.90	4.15	29.65	16.10	1488.13
FT-SE SmallCap ex Inv Trusts	1918.86	+0.2	1915.51	1912.82	1909.76	1596.79	3.06	4.59	27.12	16.24	1472.55
FT-SE-A ALL-SHARE	1583.51	-0.4	1590.23	1579.75	1571.74	1377.21	3.66	5.97	20.21	17.11	1224.72

■ **FT-SE Actuaries All-Share**

	Apr 28	Day's chge%	Apr 27	Apr 26	Apr 25	Year ago	Div. yield%	Earn yield%	P/E ratio	Xd adj. ytd	Total Return
10 MINERAL EXTRACTION(18)	2675.10	-1.3	2709.24	2671.16	2654.41	2082.50	3.44	4.60	27.28	31.95	1060.16
12 Extractive Industries(4)	3866.02	+0.1	3863.00	3839.92	3800.91	3036.70	3.35	5.11	24.52	42.75	1054.90
15 Oil, Integrated(3)	2610.37	-1.4	2646.73	2605.77	2590.75	1952.20	3.47	4.85	25.66	32.88	1055.58
16 Oil Exploration & Prod(11)	2035.89	-3.0	2099.43	2062.38	2056.53	1954.20	3.30	1.22	80.00†	15.36	1187.21
20 GEN MANUFACTURERS(282)	2129.47	+0.1	2128.35	2118.12	2106.09	1747.40	3.53	4.29	29.29	23.14	1087.91
21 Building & Construction(31)	1327.65	-0.4	1333.38	1344.21	1339.80	1058.00	2.81	3.88	32.24	12.27	1026.83
22 Building Matls & Merchs(30)	2124.06	----	2124.94	2128.78	2123.49	1598.40	3.35	3.57	38.21	26.58	987.90
23 Chemicals(21)	2546.72	-0.2	2552.23	2524.78	2492.85	2160.90	3.61	4.48	27.94	26.39	1109.98
24 Diversified Industrials(16)	2145.07	+0.1	2143.42	2117.00	2083.59	1833.60	4.29	4.31	29.75	30.45	1078.24
25 Electronic & Elect Equip(34)	2054.63	+0.2	2050.50	2055.71	2069.11	1808.40	3.58	6.29	19.41	12.72	983.16
26 Engineering(71)	1985.91	+0.4	1978.57	1971.83	1969.39	1479.40	2.78	3.77	32.73	15.77	1119.22
27 Engineering, Vehicles(12)	2470.36	-0.6	2485.85	2470.73	2490.50	1778.80	4.24	2.18	63.41	32.42	1181.44
28 Printing, Paper & Pckg(27)	2955.43	+0.4	2944.74	2931.67	2926.75	2388.60	2.81	4.77	25.36	26.59	1147.81
29 Textiles & Apparel(20)	1826.09	-0.2	1829.19	1825.04	1804.06	1834.60	3.81	5.45	23.81	20.45	1019.74
30 CONSUMER GOODS(95)	2730.46	+0.1	2727.07	2702.86	2685.96	2708.40	4.26	7.53	15.54	41.59	924.67
31 Breweries(17)	2285.37	-0.1	2287.96	2291.27	2298.77	2077.20	3.99	7.52	16.33	11.01	1002.05
32 Spirits, Wines & Ciders(10)	2979.67	-0.6	2996.39	2964.12	2940.32	2789.00	3.62	6.50	17.89	41.70	985.48
33 Food Manufacturers(23)	2376.67	+0.2	2372.42	2355.06	2323.03	2317.10	4.00	7.40	15.87	39.68	987.09
34 Household Goods(13)	2718.41	+0.5	2703.94	2659.94	2637.42	2244.60	3.23	6.65	18.05	36.67	986.71
36 Health Care(20)	1708.69	+0.1	1707.38	1708.35	1707.33	1598.10	3.23	5.58	21.36	19.00	980.65
37 Pharmaceuticals(11)	2713.75	+0.6	2697.76	2663.52	2675.50	2989.50	4.72	8.10	14.22	41.70	847.10
38 Tobacco(1)	3871.56	+0.1	3867.37	3829.82	3720.56	3612.30	5.44	8.92	13.06	102.35	862.12
40 SERVICES(220)	2055.67	+0.1	2054.59	2039.97	2032.33	1751.30	2.84	5.58	21.71	13.94	993.70
41 Distributors(31)	3091.67	+0.3	3083.46	3062.92	3048.22	2838.00	2.83	6.06	23.80	31.60	1056.20
42 Leisure & Hotels(23)	2252.09	-0.7	2268.89	2262.70	2259.55	1709.10	3.18	4.08	29.58	18.93	1095.58
43 Media(39)	3152.52	+0.4	3140.29	3141.30	3131.18	2231.60	2.05	4.60	25.77	33.89	1088.70
44 Retailers, Food(17)	1575.16	+0.2	1572.20	1537.71	1511.94	1907.20	3.89	10.14	12.23	12.03	922.36
45 Retailers, General(44)	1761.40	-0.3	1766.44	1752.53	1753.41	1491.60	2.55	5.57	22.47	5.46	922.33
48 Support Services(40)	1679.10	+0.5	1669.89	1654.59	1644.63	1495.80	2.33	6.87	16.59	6.38	1007.62
49 Transport(16)	2542.65	+0.5	2529.38	2518.40	2511.61	1982.70	3.32	3.94	29.00	15.14	980.90
51 Other Services & Business(10)	1185.96	+1.1	1172.63	1152.61	1145.48	1223.30	4.51	2.28	80.00†	5.91	1003.68
60 UTILITIES(36)	2241.78	-1.9	2285.79	2279.38	2271.01	2049.20	4.46	7.78	15.87	5.80	838.43
62 Electricity(17)	2132.30	-1.0	2154.59	2137.20	2127.47	1678.60	3.88	11.62	10.58	15.85	861.20
64 Gas Distribution(2)	1872.81	-4.9	1969.25	1985.25	1978.85	1995.10	6.40	‡	‡	0.00	827.46
66 Telecommunications(4)	1996.79	-1.6	2029.25	2024.35	2015.93	1857.80	3.95	6.06	20.15	0.09	830.46
68 Water(13)	1717.30	-1.7	1747.63	1740.06	1739.26	1696.80	5.36	14.79	7.95	3.48	828.26
69 NON-FINANCIALS(631)	1716.64	-0.4	1723.29	1711.26	1702.62	1508.42	3.65	5.90	20.61	16.49	1191.67
70 FINANCIALS(103)	2198.13	-0.7	2213.73	2201.33	2189.98	1883.00	4.07	7.30	16.22	39.57	858.82
71 Banks(10)	2759.56	-1.0	2788.15	2764.73	2741.15	2816.60	3.90	7.19	16.49	55.88	816.10
73 Insurance(18)	1312.23	-0.6	1320.26	1319.87	1320.96	1293.20	4.87	10.67	10.54	27.84	886.73
74 Life Assurance(6)	2447.23	-1.3	2478.95	2489.40	2488.55	2503.30	6.08	7.45	16.56	68.38	929.03
75 Merchant Banks(6)	2955.31	-1.0	2985.55	2882.01	2842.78	2382.00	3.23	8.75	13.72	23.26	874.21
77 Other Financial(24)	1899.01	+0.7	1886.58	1890.97	1898.84	1426.30	3.49	6.68	18.31	19.85	997.54
79 Property(39)	1640.11	+0.5	1631.44	1637.09	1628.17	1181.80	3.73	3.81	33.34	8.21	919.33
80 INVESTMENT TRUSTS(122)	2857.93	----	2868.84	2853.58	2838.70	2225.00	2.15	1.79	58.69	19.84	961.41
89 FT-SE-A ALL-SHARE(856)	1583.51	-0.4	1590.23	1579.75	1571.74	1377.21	3.66	5.97	20.21	17.11	1224.72

■ **Hourly movements**

	Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.10	High/day	Low/day
FT-SE 100	3154.9	3160.9	3162.4	3164.2	3164.0	3161.4	3159.8	3143.2	3129.7	3167.3	3129.2
FT-SE Mid 250	3798.0	3804.1	3801.6	3804.1	3805.5	3805.4	3804.6	3801.6	3797.3	3806.0	3797.2
FT-SE-A 350	1601.4	1604.4	1604.7	1605.7	1605.7	1604.7	1604.0	1597.3	1591.6	1606.9	1591.4

Time of FT-SE 100 High 10:21am Low 4:19pm

■ **FT-SE Actuaries 350 Industry baskets**

	Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.10	Close	Previous	Change
Bldg & Cnstrcn	1275.4	1277.8	1272.4	1272.3	1273.4	1273.9	1272.7	1272.4	1270.0	1270.0	1277.4	-7.4
Pharmaceuticls	2681.3	2686.9	2700.1	2705.8	2714.6	2708.2	2706.5	2697.4	2679.0	2683.6	2668.1	+15.5
Water	1743.7	1744.1	1737.2	1737.9	1735.6	1732.5	1726.4	1725.0	1713.0	1713.0	1743.6	-30.6
Banks	2824.4	2830.8	2833.5	2827.1	2824.0	2824.0	2822.5	2809.3	2793.6	2793.6	2822.6	-29.0

Additional information on the FT-SE Actuaries Share Indices is published in Saturday issues. Lists of constituents are available from The Financial Times Limited, One Southwark Bridge, London SE1 9HL. The FT-SE Actuaries Share Indices Service, which covers a range of electronic and paper-based products relating to these indices, is available from FINSTAT at the same address. The FT "500" has been renamed FT-SE-A Non-Financials Index. The FT-SE 100, the FT-SE Mid 250, FT-SE Actuaries 350 and the FT-SE Actuaries Industry baskets are calculated by the International Stock Exchange of the United Kingdom and Republic of Ireland and the FT-SE Actuaries All-Share Index is compiled by The Financial Times Limited, both in conjunction with the Institute of Actuaries and the Faculty of Actuaries under a standard set of ground rules. "FT-SE" and "Footsie" are joint trade marks and service marks of the London Stock Exchange and The Financial Times Limited. The FT-SE Actuaries Share Indices are audited by The WM Company. † Sector P/E ratios greater than 80 are not shown. ‡ Values are negative.

LONDON EQUITIES

LIFFE EQUITY OPTIONS

FT GOLD MINES INDEX

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	3	61	9
Other Fixed Interest	0	14	1
Mineral Extraction	58	71	72
General Manufacturers	153	112	405
Consumer Goods	52	28	112
Services	115	73	329
Utilities	5	34	7
Financials	75	109	194
Investment Trusts	115	60	307
Others	30	39	66
Totals	606	591	1502

Data based on those companies listed on the London Share Service.

TRADITIONAL OPTIONS

First Dealings	April 18	Last Declarations	July 28
Last Dealings	April 29	For settlement	Aug. 8

Calls: Caverdale, Eidos, Kleerfold, Tullow Oil Put: Navan Res.

LONDON RECENT ISSUES: EQUITIES

Issue price p	Amt paid up	Mkt. cap (£m.)	1994 High	1994 Low	Stock	Close price p	+/-	Net div.	Div. cov.	Grs yld	P/E net
100	F.P.	40.4	102	96	Abtrust High Inc	101	+½	-	-	-	-
-	F.P.	1.34	10	9	Abtrust Scot Wrts	10		-	-	-	-
-	F.P.	1,227.4	£14¾	£14½	Ashanti Gold	£14⅝		-	-	-	-
-	F.P.	814.1	227	205	Capital Shop C'tre	225½		u6.5	0.7	3.6	54.3
-	F.P.	9.12	£87½	£82½	Chester Water	£82½		†235.0	4.3	3.6	8.5
-	F.P.	98.0	50	45	Edinburgh Inca	49	+½	-	-	-	-
78	F.P.	35.0	80	72	Fiscal Props	80	+1	-	-	-	-
-	F.P.	52.0	104	100	Gartmore Brit Inc	104		-	-	-	-
-	F.P.	106.0	213	208	Do Units	212		-	-	-	-
-	F.P.	104.5	483	480	Govett Global Smlr	481		-	-	-	-
110	F.P.	21.1	118	110	Groupe Chez Grd	113		b-	-	-	16.4
180	F.P.	433.9	191	178	House of Fraser	189		LN5.0	2.2	3.3	17.0
-	F.P.	39.7	45	34½	Mercury Euro Wrts	34½		-	-	-	-
155	F.P.	85.1	164	152	Nottingham	162	-1	u5.52	1.8	4.3	15.9
80	F.P.	31.0	87	84	Oxford Molecular	84		-	-	-	-
200	F.P.	69.8	236	218	Partco	236	+3	L5.35	2.2	2.8	20.3
160	F.P.	21.3	177	160	Persona	176		LN3.84	2.9	2.7	15.8
100	F.P.	9.56	95	91	Piper Euro	95	+1	-	-	-	-
-	F.P.	0.68	35	33	Do. Warrants	34		-	-	-	-
-	F.P.	5.53	55	53	Secure Retirement	55	+1	-	-	-	-
-	F.P.	1.51	28	20	Slam Select Wrts	28	+1	-	-	-	-
120	F.P.	28.5	133	131	St James Bch Hot	131		RN3.8	1.7	3.6	18.2
198	F.P.	13.9	261	198	Superscape VR	261		-	-	-	-
-	F.P.	144.2	104	100	Templeton Emg C	103	+1	-	-	-	-
100	F.P.	60.6	101	99	Undervalued Asts	101	+½	-	-	-	-
170	F.P.	99.0	170	154½	Wainhomes	159		R4.2	1.5	3.3	17.2
205	F.P.	52.0	220	203	Wellington	220		W5.17	2.0	2.9	21.3

RIGHTS OFFERS

Issue price p	Amount paid up	Latest Renun. date	1994 High	1994 Low	Stock	Closing price p	+or-
-	Nil	-	3pm	1pm	Abtrust Scotland	1½pm	
52	Nil	2/6	4½pm	1½pm	Albert Fisher	4pm	+1½
£16	Nil	9/5	390pm	215pm	Brit Bio-Tech Uts	215pm	-6
116	Nil	-	9pm	3pm	CALA	9pm	
55	Nil	-	16pm	5pm	Dale Electric	9pm	-3
9	Nil	27/5	¾pm	¼pm	Era	¼pm	
25	Nil	-	10pm	9pm	Guinness Peat	9½pm	
180	Nil	26/5	44pm	19pm	Holliday Chem	44pm	+2
33	Nil	17/5	6pm	1pm	IAF	1pm	-½
105	Nil	27/5	65pm	18pm	LASMO	53pm	-4½
58	Nil	24/5	7pm	4pm	McCarthy & Stone	4½pm	-½
425	Nil	27/5	66pm	54pm	Misys	66pm	+2
100	Nil	-	8pm	4pm	Mowlem	6½pm	
25	Nil	-	4pm	1¾pm	Pentos	1¾pm	
45	Nil	26/5	6¼pm	3pm	Shandwick	5½pm	
100	Nil	31/5	25pm	13pm	Simon Eng	25pm	
23	Nil	26/5	4pm	2pm	Try Group	4pm	

FINANCIAL TIMES EQUITY INDICES

	Apr 28	Apr 27	Apr 26	Apr 25	Apr 22	Yr ago	*High	*Low
Ordinary Share	2504.2	2509.8	2492.4	2477.9	2500.9	2200.2	2713.6	2439.2
Ord. div. yield	3.97	3.97	3.99	4.02	3.98	4.15	4.05	3.43
Earn. yld. % full	5.41	5.39	5.44	5.47	5.43	6.25	5.51	3.82
P/E ratio net	19.85	19.89	19.72	19.60	19.76	19.86	33.43	19.46
P/E ratio nil	20.75	20.80	20.65	20.52	20.69	18.54	30.80	20.37

*For 1994. Ordinary Share index since compilation: high 2713.6 2/02/94; low 49.4 26/6/40
FT Ordinary Share index base date 1/7/35.

Ordinary Share hourly changes

Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.00	High	Low
2515.7	2518.4	2521.6	2521.6	2524.5	2525.2	2524.0	2510.2	2505.2	2527.1	2503.5

	Apr 28	Apr 27	Apr 26	Apr 25	Apr 22	Yr ago
SEAQ bargains	26,405	24,983	27,128	26,941	36,122	27,031
Equity turnover (£m)†	-	1272.0	1557.2	1687.8	1687.7	1139.8
Equity bargains†	-	29,396	30,694	30,494	40,313	30,908
Shares traded (m)†	-	521.8	635.2	499.2	724.3	487.0

† Excluding intra-market business and overseas turnover.

LONDON SHARE SERVICE

BANKS

Notes	Price	+ or -	1994 high	1994 low	Mkt Cap£m	Yld Gr's	P/E
ABN Amro Fl	522¼	+⅛	225¼	221⅞	6,582	5.0	ɸ
ANZ A$	229½	-2¾	278½	220½	2,999	4.0	17.7
Abbey National ♣N☐	442xd	-6	523	432	5,789	4.0	14.9
Allied Irish I£ ♣N☐	240xd	—	314	241	1,934	5.1	8.5
Anglo Irish I£ ♣N☐	55	—	*70	55	189.3	7.8	10.0
Asahi Y	706½	+1¾	755¼	626	16,396	0.7	-
Banco Bil Viz Pta	£16⅝	+⅛	£18⅞	£14⅝	3,676	6.2	7.2
Banco Sant Pta	£31¾	—	£34⅝	£29½	3,613	4.3	ɸ
Bk Ireland I£ ♣☐	270	+1	*319	249	1,272	4.6	19.9
Bank Scotland ♣†☐	185	-1	247	180	2,195	3.2	25.1
9¼pc Pf	120¼xd	-⅛	141½	120½	120.8	8.8	-
9¾pc Pf	127xd	-½	148½	126¼	127.8	9.6	-
Barclays ♣N☐	510xd	-6	640	487	8,282	3.7	21.1
Dai Ichi Kan Y	£21½	+⅞	£22⅝	£19⅜	39,594	0.4	68.2
Deutsche DM	£298⅞	-1⅞	£344¼	£297½	14,713	2.0	-
Espirito Santo	£18¼	-½	£28⅛	£18¼	185.1	4.4	4.4
First Nat Fin ♣N☐	72	—	*80	60	119.3	2.8	-
6.3pc Cv Pf	83	—	*98	77	5.88	9.5	-
7pc Cv Pf	140	—	171	123	69.3	6.0	-
Fuji Bank Y	1465	-15¾	1549¼	1152½	42,422	0.4	-
HSBC HK ☐	744xd	-12	1193	740	13,884	3.8	ɸ
HSBC (75p Shs) ☐	728xd	-10	1113	720	6,188	4.0	ɸ
Lloyds ♣N☐	552xd	-8	680	532	7,507	4.7	12.3
Mitsubishi Y	£17¾	+⅛	£18⅝	£15⅝	50,723	0.3	-
Mits Tst & Bk Y	976¼	+10	1039¼	687½	12,718	0.5	15.7
Mitsui Tst & Bk Y	719½	-4¾	811¼	514	8,521	0.7	24.5
Nat Aust A$	590½	-1	620¼	537¼	7,269	4.2	13.6
NatWest ♣N☐	456xd	+3	522	438	7,588	5.1	10.4

CHEMICALS

BREWERIES

BUILDING & CONSTRUCTION

BUILDING MATS. & MERCHANTS

DISTRIBUTORS

DIVERSIFIED INDUSTRIALS

ELECTRICITY

ELECTRONIC & ELECTRICAL EQPT

ELECTRONIC & ELECTRICAL EQPT - Cont.

ENGINEERING

ENGINEERING, VEHICLES

ENGINEERING, VEHICLES - Cont.

EXTRACTIVE INDUSTRIES

FOOD MANUFACTURERS

GAS DISTRIBUTION

HEALTH CARE

HEALTH CARE - Cont.

HOUSEHOLD GOODS

INSURANCE

INVESTMENT TRUSTS

INVESTMENT TRUSTS - Cont.

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LONDON SHARE SERVICE

INVESTMENT TRUSTS - Cont.

	Notes	Price	+ or -	1994 high	1994 low	Yld Gr's	NAV	Dis or Pm(-)
Perpetual Japan	□	116	-1½	119½	89	-	108.4	-6.6
Warrants	□	77	—	88	47	-	-	-
Personal Assets	†	£90xd	—	£94	£86¼	2.8	6477.4	-5.8
Pilot Inv	Z□	144	—	153	125½	0.4	135.2	-6.1
Warrants	□	60	—	69	44	-	-	-
C	□	108	—	117	102	-	108.5	0.5
Primadona		275	—	283	267	2.8	320.9	14.3
Paramigan Intl	♣□	236	+1	*276	232	0.4	255.9	7.8
Warrants		65	—	149	65	-	-	-
RIT Capital	□	178	+1	189	170	0.8	216.1	17.6
2½pc Cv Ln 2000		£175	—	£188½	£170½	1.4	-	-
Radiotrust	□	85	—	88	70	-	71.2	-16.2
Rights & Iss Inc		157	—	184	153	8.9	-	-
Cap		490	+5	535	440	2.3	543.2	9.8
Riv & Merc Am Inc	N	112xd	—	121	111	8.7	-	-
Cap	□	34	—	38	31½	-	44.3	23.3
Warrants		14	—	17	13	-	-	-
Riv & Mer Ext	N□	127xd	-1	147	127	7.7	121.7	-4.2
Warrants		32	—	49	29	-	-	-
Zero Div Pf		113	—	118½	112½	-	-	-
Riv & Mer Secured		100xd	+1	118	93	8.4	-	-
Prfd Cap 1999		26½	—	35	26½	-	37.7	29.7
Riv & Merc Smllr	N□	145	—	170	142	3.4	147.1	1.4
Warrants		53	—	77	47	-	-	-
Riv & Merc Tst Inc	N□	120	—	127	114	9.6	-	-
Cap	□	131	—	150	132	-	213.2	38.6
Warrants		34	—	40	32	-	-	-
Do Stpd Prf	N	164xd	—	183	154	4.8	-	-
River Plate Inc	N□	112	—	113	106	9.9	-	-
Cap		98	+1	118	95	-	169.2	41.5
Warrants		4½	—	11	4½	-	-	-
Zero Div Pf		83¾	-¼	85¼	83¼	-	-	-
St Andrew	N	321xd	—	343	280	2.8	332.3	0.4
St David's Inc	N	142	+1	142	124	13.0	-	-
Cap		190	+1	223	187	-	295.8	35.8

OTHER INVESTMENT TRUSTS

INVESTMENT COMPANIES

LEISURE & HOTELS

LEISURE & HOTELS - Cont.

LIFE ASSURANCE

MEDIA

MERCHANT BANKS

OIL EXPLORATION & PRODUCTION

OIL, INTEGRATED

OTHER FINANCIAL

OTHER SERVICES & BUSINESSES

PHARMACEUTICALS

PRINTING, PAPER & PACKAGING

PROPERTY

PROPERTY - Cont.

RETAILERS, FOOD

RETAILERS, GENERAL

SPIRITS, WINES & CIDERS

SUPPORT SERVICES

TELECOMMUNICATIONS

TEXTILES & APPAREL

TOBACCO

TRANSPORT

TRANSPORT - Cont.

WATER

AMERICANS

CANADIANS

	Notes	Price	+ or -	1994 high	1994 low	Mkt Cap£m	Yld Gr's	P/E
Toronto-Dom.		[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Trans Can Pipe	♥	8⅜	-⅛	10⅝	8⅜	1,588	4.7	

SOUTH AFRICANS

	Notes	Price	+ or -	1994 high	1994 low	Mkt Cap£m	Yld Gr's	P/E
Anglo Am Ind.		£25½	+⅛	£28½	£13½	1,828	2.9	18.6
Barlow		£4¾	+⅛	£4⅞	£3⅛	932.7	6.9	8.7
Gold Flds Prop R		91	—	105	76	9.38	10.9	8.1
NK Props.	§	90	—	95	87	3.82	9.9	37.0
SASOL	♥	360	+7	361	280	2,840	4.3	-
SA Brews		£13⅜	+⅛	£15⅛	£10	7,416	2.0	22.7
Tiger Oats		694	+13	838	536	1,042	2.4	14.7
Tongaat-Hulett	†	585	+1	589	434	422.9	2.8	15.8

GUIDE TO LONDON SHARE SERVICE

Prices for the London Share Service delivered by Extel Financial, a member of the Financial Times Group.

Company classifications are based on those used for the FT-SE Actuaries Share Indices.

Closing mid-prices are shown in pence unless otherwise stated. Highs and lows are based on intra-day mid- prices.

Where stocks are denominated in currencies other than sterling, this is indicated after the name.

Symbols referring to dividend status appear in the notes column daily as a guide to yields and P/E ratios. Dividends and Dividend covers are published on Monday.

Market capitalisation shown is calculated separately for each line of stock quoted.

Estimated price/earnings ratios are based on latest annual reports and accounts and, where possible, are updated on interim figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation, excluding exceptional profits/losses and unrelieved ACT where applicable. Yields are based on mid-prices, are gross, adjusted for a dividend tax credit of 20 per cent and allow for value of declared distribution and rights.

Estimated Net Asset Values (NAVs) are shown for Investment Trusts, in pence per share, along with the percentage discounts (Dis) or premiums (Pm -) to the current closing share price. The NAV basis assumes prior charges at par value, convertibles converted and warrants exercised if dilution occurs.

- □ Indicates the most actively traded stocks. This includes UK stocks where transactions and prices are published continuously through the Stock Exchange Automated Quotation system (SEAQ) and non-UK stocks through the SEAQ International system.
- • Highs and lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred
- ♦ Figures or report awaited
- ♥ Not officially UK listed; dealings permitted under rule 535(4)(a)
- ♣ Free annual/interim report available, see details below.
- ⁂ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Not officially UK listed; dealings permitted under Rule 535(2)
- # Price at time of suspension
- ¶ Indicated dividend yield after pending scrip and/or rights issue.
- ♦ Merger bid or reorganisation in progress
- § Forecast dividend yield; p/e based on earnings updated by latest interim statement.
- ♠ Unregulated collective investment scheme.

a Yield based on annualised dividend
b Figures based on prospectus or other official estimates.
c Cents.
f Flat yield.
g Assumed dividend yield after rights issue.
h Assumed dividend yield after scrip issue.
n Rights issue pending
q Earnings based on preliminary figures.
s Dividend yield excludes a special payment.
t Indicated dividend yield, p/e ratio based on latest annual earnings.
u Forecast, or estimated annualised dividend yield, p/e based on previous year's earnings
v Not subject to ACT.
z Dividend yield includes a special payment
F Yield based on prospectus or other official estimates for 1994-95.
G Assumed yield after pending scrip and/or rights issue.
H Yield based on prospectus or other official estimates for 1993.
K Yield based on prospectus or other official estimates for 1994
L Estimated annualised yield, p/e based on latest annual earnings.
M Yield based on prospectus or other official estimates for 1993-94.
N Figures based on IIMR 'Headline Earnings'
P Figures based on prospectus or other official estimates for 1994.
R Forecast annualised yield, p/e based on prospectus or other official estimates.
T Figures assumed.
W Pro forma figures.
Z Dividend yield to date.

Abbreviations:
xd ex dividend;
xc ex scrip issue;
xr ex rights;
xa ex all;
xR ex capital distribution.

This service is available to companies whose shares are regularly traded in the United Kingdom for a fee of £1235 a year for each security shown, subject to the Editor's discretion

FT Free Annual Reports Service

You can obtain the current annual/interim report of any company annotated with ♣. Please quote the code FT1557. Ring 081-770 0770 (open 24 hours including weekends) or Fax 081-770 3822. If calling from outside the UK, ring +44 81 770 0770 or fax +44 81 770 3822. Reports will be sent the next working day, subject to availabilty.

FT Cityline

Up-to-the-second share prices are available by telephone from the FT Cityline service. See Monday's share price pages for details.

An international service is available for callers outside the UK, annual subscription £250 stg.

Call 071-873 4378 (+44 71 873 4378, international) for more information on FT Cityline.

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 873 4378 for more details.

AUTHORISED UNIT TRUSTS

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of Lautro §§

INITIAL CHARGE: Charge made on sale of units. Used to defray marketing and administrative costs, including commission paid to intermediaries. This charge is included in the price of units.

OFFER PRICE: Also called issue price. The price at which units are bought by investors.

BID PRICE: Also called redemption price. The price at which units are sold back by investors.

CANCELLATION PRICE: The minimum redemption price. The maximum spread between the offer and bid prices is determined by a formula laid down by the government. In practice, most unit trust managers quote a much narrower spread. As a result, the bid price is often set above the cancellation price. However, the bid price might be moved to the cancellation price by the managers at any time, usually in circumstances in which there is a large excess of sellers of units over buyers.

TIME: The time shown alongside the fund manager's name is the time of the unit trust's valuation point unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: (♥) - 0001 to 1100 hours; (♣) - 1101 to 1400 hours; (♦) - 1401 to 1700 hours; (♠) - 1701 to midnight. Daily dealing prices are set on the basis of the valuation point; a short period of time may elapse before prices become available.

HISTORIC PRICING: The letter H denotes that the managers will normally deal on the price set on the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers must deal at a forward price on request, and may move to forward pricing at any time.

FORWARD PRICING: The letter F denotes that the managers deal at the price to be set on the next valuation. Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers.

SCHEME PARTICULARS AND REPORTS: The most recent report and scheme particulars can be obtained free of charge from fund managers.

Other explanatory notes are contained in the last column of the FT Managed Funds Service.

§§ Life Assurance and Unit Trust Regulatory Organisation, Centre Point, 103 New Oxford Street, London WC1A 1QH. Tel: 071-379-0444.

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FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 873 4378 for more details.

Waverley Unit Tst Mngmt Ltd (1000)F

[illegible]

Abbey National Life Plc

[illegible]

Acorns Life Assurance Ltd

[illegible]

Century Life Plc

[illegible]

Equitable Life Assurance Society

[illegible]

Hill Samuel Life Assur. Ltd - Contd.

[illegible]

London Life - Contd.

[illegible]

London & Manchester

[illegible]

OTHER UK UNIT TRUSTS

[illegible]

INSURANCES

[illegible]

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 873 4378 for more details.

Scottish Amicable - Contd.

[illegible]

Scottish Equitable plc

35 St Andrew Sq, Edinburgh 031-556 9101

[illegible]

Sun Alliance Group - Contd.

[illegible]

OFFSHORE INSURANCES

[illegible]

MANAGEMENT SERVICES

[illegible]

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

[illegible]

GUERNSEY (SIB RECOGNISED)

[illegible]

GUERNSEY (REGULATED)(**)

[illegible]

IRELAND (SIB RECOGNISED)

[illegible]

IRELAND (REGULATED)(**)

[illegible]

ISLE OF MAN (SIB RECOGNISED)

[illegible]

ISLE OF MAN (REGULATED)(**)

[illegible]

JERSEY (SIB RECOGNISED)

[illegible]

JERSEY (REGULATED)(**)

[illegible]

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 873 4378 for more details.

Lombard Odier - Contd.

	Bid Price	Offer Price	+ or -	Yield Gross
Class Y (Sterling)	£910.15		-0.01	–
Class Z	SFr10.70		-0.05	–
Class D	C$12.12		-0.08	–
Pacific Dynasty	$18.31		–	–
Asian Entrepreneurs	$10.05		–	–

Management International (Jersey) Ltd

Minerals, Oils Res. Shrs. Fd. Inc.

	Bid Price	Offer Price	+ or -	Yield Gross
Mores Apr 28	$16.75	17.13	-0.42	2.34

Northgate Unit Tst. Mngr. (Jersey) Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Pacific Fund Apr 28	$51.74	54.98	+0.33	–

Perpetual UT Mngrs (Jersey) Ltd

The Portugal Fund Limited

Lloyds Bank International (Jersey) Limited

	Bid Price	Offer Price	+ or -	Yield Gross
NAV Apr 22		$9.81	–	–

Royal Bank of Canada Intl Fd Mgt Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Sterling Fxd Int Inc	97.20	98.20	-0.3	7.03
International Bond	$1.119	1.176	+0.018	5.10

†Prices on April 27 Next dealing May 4

Royal Bk of Scotland Fd Mngrs (Jersey) Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Ivory Growth Fund	£10.65	10.84	–	1.57
Lowes Defensive Plato	£12.87	13.55	–	–

For Royal Trust see Royal Bank of Canada

Schroder Mngt Services (Jersey) Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Greece Fd Ltd Apr 27	$21.08	22.58	–	–
Sterling	£30.9565		–	5.02
US $	$49.9955		–	2.49
D-Mark	DM80.5567		–	4.64
Swiss franc	SFr81.2835		–	2.73
Yen	Y5276.46		–	1.18

Scringeour Kemp-Gee Mngmt., Jersey

	Bid Price	Offer Price	+ or -	Yield Gross
SKG Capital Fund	£5.874	6.250	–	–
SKG Income Fund	£0.889	0.947	–	9.60

TSB Trust Funds (CI)

	Bid Price	Offer Price	+ or -	Yield Gross
TSB Jsy Equity Fd	55.8	58.5	–	1.66
TSB G'sey Equity Fd	56.6	59.5	–	1.65
TSB Gilt Fd (Jsy) Ltd	105.74	108.27		7.32

Warburg Asset Management Jersey Ltd

LUXEMBOURG (SIB RECOGNISED)

Elysian Global SICAV (u)

13 Rue Goethe, L-1637, Luxembourg 010 352 4049461

EquiFund—Wright National Eqty Fd (u) (z)

Fidelity Funds (u)

Kansallis Hse, Place de L'Etoile, L-1021 Lux BP 2174

Fleming Group (u)

45 Rue Des Scillas L-2529 Howald Luxembourg

010 352 405040 or 071-382 8015

LUXEMBOURG (REGULATED)(**)

SWITZERLAND (SIB RECOGNISED)

OTHER OFFSHORE FUNDS

MANAGED FUNDS NOTES

CURRENCIES AND MONEY

MARKETS REPORT

Dollar under pressure

The dollar looked very precarious on foreign exchanges yesterday, as the market responded negatively to the release of mixed economic data, *writes Philip Gawith.*

Advance first quarter US GDP figures produced the unfavourable combination of lower than expected growth and higher than expected inflation.

The dollar finished in London at DM1.6697 against the D-Mark from DM1.6727 on Wednesday. It was also very weak against the yen, closing at Y101.885 from Y102.650.

The US currency was not helped by technical analysts calling a major downward trend.

Elsewhere, the D-Mark lost ground in Europe on profit taking after the German currency's recent bout of strength. The French and Dutch central banks both trimmed 10 basis points off short term lending rates.

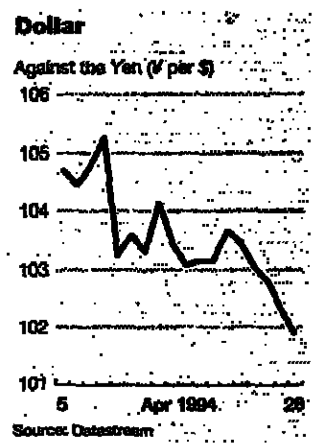
Sterling had a fairly stable day, staying above $1.50 against the dollar – it closed at $1.5073 – but closing lower against the D-Mark at DM2.5167 from DM2.52. The sterling index finished at 80.4 from 80.5 on Wednesday.

■ There was a suspicion before the release of the US data that the market would put a negative gloss on it, no matter what. In the event, it did not require much effort.

On the one hand, the 2.6 per cent GDP growth figure compared with a market forecast of 3.1 per cent. On the other, the Q1 GDP price deflator was 2.6 per cent, double the last figure and higher than the 2.3 per cent forecast.

Mr Brian Hilliard, senior international economist at SGST, commented: "A downward surprise on growth was not accompanied by a similar downward move on inflation."

Although the inflation figure might be seen as justifying higher interest rates, the dollar was sold off, in tandem with weaker US debt and equity markets. "People are generally bearish about US financial instruments," said Mr Hilliard. Although he retains a medium term forecast of DM1.80 for the



■ Pound in New York

Apr 28	— Latest —	— Prev. close —
£ spot	1.5075	1.5040
1 mth	1.5061	1.5024
3 mth	1.5040	1.5005
1 yr	1.4996	1.4958

dollar, he says "the risk is all on the downside".

Chartists are also predicting that the dollar will fall. Mr Brian Marber, an independent technical analyst, said yesterday that it had breached key technical resistance levels. "The major trend is down and I am talking big numbers," said Mr Marber. He said this forecast would stand unless the dollar rose again above DM1.72, which he is not predicting.

Mr Gerard Lyons, chief economist at DKB International, said the latest data would require the Fed to keep policy on hold for now. "It will not be able to raise rates further against the backdrop of a clear slowdown in the economy."

■ The yen rose further with analysts predicting that the market would try and test whether, and at what level, the Fed would intervene to defend the dollar.

The last time the Fed supported the dollar was at Y101.30 in August last year.

Mr Steve Barrow, economist at Chemical Bank, said the market was cautious about short dollar positions. The last two times the dollar has fallen to this level – August and February – it has bounced back quite sharply. He predicted that the Fed would come in and intervene before the dollar fell to Y100.

Mr Lyons argues that the $/yen rate is more likely to be determined by what the US says and does than by Japan. Evidence of the Japanese government's concern about the level of thge yen came from Mr Eijiro Hata, newly appointed minister for international trade and industry. He said Japan needed to tackle the yen with other countries.

■ As expected, the Bundesbank council left the Lombard and Discount rates unchanged at 6.5 per cent and 5 per cent respectively. The D-Mark was slightly weaker, with dealers reporting profit-taking, and European currencies gaining against the D-Mark on the back of dollar sales.

On the day that businessman Mr Silvio Berlusconi was asked to form Italy's new government, the Italian lira firmed to close at L958.3 against the D-Mark from L961.5.

The French franc also closed higher, at FFr3.429 from FFr3.434, after the Bank of France announced it was trimming the intervention rate by ten basis points to 5.7 per cent. The guilder was barely changed after the Dutch central bank cut its special advances rate to 5.3 per cent from 5.4 per cent.

■ German call money rates eased to 5.60/5.70 per cent after rising towards 6 per cent on Wednesday. Traders said the liquidity shortage had not been as severe as anticipated.

Trade in the euromark futures was fairly brisk, but there was little change in the five shortest contracts. The June contract settled one basis point lower at 94.79.

Volumes in the short sterling futures were more modest and the June contract closed unchanged at 94.61.

In the money market, the Bank of England provided late assistance of £365m after forecasting a £550m shortage. Earlier the bank had purchased bills totalling £33m.

■ OTHER CURRENCIES

Apr 28	£	$
Hungary	154.468 - 154.669	102.500 - 102.669
Iran	2631.00 - 2637.00	1748.00 - 1750.00
Kuwait	0.4471 - 0.4481	0.2967 - 0.2972
Poland	33598.6 - 33642.1	22295.0 - 22315.0
Russia	2740.27 - 2747.81	1818.00 - 1823.00
U.A.E.	5.5341 - 5.5371	3.6715 - 3.6735

POUND SPOT FORWARD AGAINST THE POUND

Apr 28		Closing mid-point	Change on day	Bid/offer spread	Day's Mid high	low	One month Rate	%PA	Three months Rate	%PA	One year Rate	%PA	Bank of Eng. Index
Europe													
Austria	(Sch)	17.7040	-0.0198	967 - 113	17.7503	17.6820	17.7002	0.3	17.6946	0.2	-	-	113.5
Belgium	(BFr)	51.8142	-0.0722	820 - 464	51.9312	51.7500	51.8442	-0.7	51.8892	-0.6	51.8242	0.0	114.8
Denmark	(DKr)	9.8846	-0.0221	786 - 906	9.9117	9.8727	9.8948	-1.2	9.9061	-0.9	9.9178	-0.3	114.2
Finland	(FM)	8.1621	-0.0212	517 - 724	8.1940	8.1510	-	-	-	-	-	-	81.9
France	(FFr)	8.6301	-0.0243	268 - 333	8.6663	8.6195	8.6371	-1.0	8.6441	-0.6	8.6277	0.0	107.3
Germany	(DM)	2.5167	-0.0033	158 - 177	2.5297	2.5142	2.5176	-0.4	2.5182	-0.2	2.5064	0.4	123.0
Greece	(Dr)	369.063	-0.419	763 - 362	370.599	368.760	-	-	-	-	-	-	-
Ireland	(I£)	1.0293	-0.002	285 - 301	1.0322	1.0276	1.0301	-0.9	1.0315	-0.9	1.0345	-0.5	103.7
Italy	(L)	2411.83	-11.41	128 - 249	2423.91	2408.76	2418.09	-3.1	2428.14	-2.7	2464.39	-2.2	78.1
Luxembourg	(LFr)	51.8142	-0.0722	820 - 464	51.9312	51.7500	51.8442	-0.7	51.8892	-0.6	51.8242	0.0	114.8
Netherlands	(Fl)	2.8284	-0.0052	250 - 277	2.8340	2.8214	2.8278	-0.5	2.8278	-0.2	2.8148	0.4	118.3
Norway	(NKr)	10.9178	-0.0183	141 - 215	10.9529	10.9041	10.9122	0.6	10.9247	-0.3	10.9159	0.0	84.7
Portugal	(Es)	258.427	-0.474	149 - 704	259.118	258.013	259.402	-4.5	261.347	-4.5	-	-	-
Spain	(Pta)	205.106	-0.809	952 - 260	205.790	204.613	205.658	-3.2	206.521	-2.8	209.326	-2.1	85.4
Sweden	(SKr)	11.6818	-0.0604	738 - 899	11.7365	11.6589	11.7028	-2.2	11.7388	-2.0	11.8578	-1.5	78.8
Switzerland	(SFr)	2.1444	-0.0045	434 - 453	2.1524	2.1412	2.1423	1.2	2.138	1.2	2.1089	1.7	117.0
UK	(£)	-	-	-	-	-	-	-	-	-	-	-	80.4
Ecu	-	1.3021	-0.0026	013 - 029	1.3055	1.3006	1.3032	-1.0	1.3045	-0.7	1.3042	-0.2	-
SDR†	-	0.938498	-	-	-	-	-	-	-	-	-	-	-
Americas													
Argentina	(Peso)	1.5069	+0.0001	065 - 073	1.5084	1.5019	-	-	-	-	-	-	-
Brazil	(Cr)	1928.82	+33.51	896 - 928	1930.00	1889.00	-	-	-	-	-	-	-
Canada	(C$)	2.0814	+0.0092	806 - 821	2.0840	2.0689	2.0826	-0.7	2.0856	-0.6	2.0999	-0.9	86.8
Mexico	(New Peso)	4.9138	-0.0428	053 - 223	4.9246	4.9031	-	-	-	-	-	-	-
USA	($)	1.5073	+0.0007	070 - 076	1.5084	1.5017	1.5058	1.2	1.5038	0.9	1.4993	0.5	65.2
Pacific/Middle East/Africa													
Australia	(A$)	2.1178	+0.0164	168 - 189	2.1221	2.0969	2.1163	0.8	2.1139	0.7	2.112	0.3	-
Hong Kong	(HK$)	11.6441	+0.0048	410 - 471	11.6526	11.6017	11.6311	1.3	11.6256	0.6	11.5766	0.6	-
India	(Rs)	47.2803	+0.0273	671 - 934	47.3110	47.1180	-	-	-	-	-	-	-
Japan	(Y)	153.572	-1.076	488 - 655	154.860	153.270	153.197	2.9	152.437	3.0	148.917	3.0	189.8
Malaysia	(M$)	4.0565	-0.0008	550 - 582	4.0586	4.0414	-	-	-	-	-	-	-
New Zealand	(NZ$)	2.6276	+0.0022	254 - 297	2.6336	2.6189	2.6305	-1.3	2.6348	-1.1	2.6434	-0.6	-
Philippines	(Peso)	41.5036	+0.0207	692 - 379	41.7399	40.6657	-	-	-	-	-	-	-
Saudi Arabia	(SR)	5.6529	+0.0027	514 - 541	5.6567	5.6320	-	-	-	-	-	-	-
Singapore	(S$)	2.3433	-0.0008	423 - 443	2.3476	2.3356	-	-	-	-	-	-	-
S Africa (Com.)	(R)	5.3773	-0.0124	725 - 821	5.3900	5.3611	-	-	-	-	-	-	-
S Africa (Fin.)	(R)	6.9110	-0.1623	719 - 500	7.0645	6.8710	-	-	-	-	-	-	-
South Korea	(Won)	1216.77	+0.91	645 - 709	1217.60	1212.32	-	-	-	-	-	-	-
Taiwan	(T$)	39.8304	+0.0725	848 - 760	39.9000	39.6700	-	-	-	-	-	-	-
Thailand	(Bt)	37.9991	+0.0039	764 - 217	38.0412	37.8730	-	-	-	-	-	-	-

†SDR rate for Apr 27. Bid/offer spreads in the Pound Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. Sterling index calculated by the Bank of England. Base average 1985 = 100.Bid, Offer and Mid-rates in both this and the Dollar Spot tables derived from THE WM/REUTERS CLOSING SPOT RATES. Some values are rounded by the F.T.

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Apr 28		Closing mid-point	Change on day	Bid/offer spread	Day's mid high	low	One month Rate	%PA	Three months Rate	%PA	One year Rate	%PA	J.P Morgan Index
Europe													
Austria	(Sch)	11.7455	-0.019	430 - 480	11.7975	11.7390	11.7617	-1.7	11.778	-1.1	11.7555	-0.1	102.9
Belgium	(BFr)	34.3755	-0.065	610 - 900	34.5150	34.3350	34.4305	-1.9	34.5055	-1.5	34.5505	-0.5	104.3
Denmark	(DKr)	6.5578	-0.018	551 - 605	6.5855	6.5525	6.5713	-2.5	6.5915	-2.1	6.6108	-0.8	103.1
Finland	(FM)	5.4150	-0.0168	092 - 208	5.4396	5.4076	5.4202	-1.2	5.4285	-1.0	5.4425	-0.5	78.6
France	(FFr)	5.7255	-0.019	245 - 265	5.7595	5.7165	5.7354	-2.1	5.7481	-1.6	5.7562	-0.5	103.6
Germany	(D)	1.6697	-0.003	693 - 700	1.6772	1.6685	1.6721	-1.7	1.6749	-1.2	1.672	-0.1	104.6
Greece	(Dr)	244.850	-0.4	700 - 000	246.170	244.600	248.6	-18.4	255.975	-18.2	284.85	-16.3	70.3
Ireland	(I£)	1.4644	+0.0035	635 - 653	1.4660	1.4571	1.4615	2.4	1.4574	1.9	1.4474	1.2	-
Italy	(L)	1600.14	-8.37	005 - 022	1609.90	1599.00	1605.89	-4.3	1614.89	-3.7	1644.14	-2.7	78.6
Luxembourg	(LFr)	34.3755	-0.065	610 - 900	34.5150	34.3350	34.4305	-1.9	34.5055	-1.5	34.5505	-0.5	104.3
Netherlands	(Fl)	1.8751	-0.0044	746 - 756	1.8836	1.8737	1.8777	-1.7	1.8808	-1.2	1.8778	-0.1	103.7
Norway	(NKr)	7.2433	-0.0157	423 - 443	7.2835	7.2400	7.252	-1.4	7.2645	-1.2	7.2753	-0.4	94.8
Portugal	(Es)	171.450	-0.4	300 - 600	172.150	171.250	172.75	-9.1	174.7	-7.6	179.95	-5.0	92.9
Spain	(Pta)	136.075	-0.605	000 - 150	136.800	136.000	136.575	-4.4	137.35	-3.7	139.85	-2.8	80.6
Sweden	(SKr)	7.7502	-0.0439	464 - 539	7.7993	7.7462	7.7737	-3.6	7.813	-3.2	7.9222	-2.2	82.0
Switzerland	(SFr)	1.4227	-0.0037	223 - 230	1.4310	1.4215	1.4405	-15.0	1.4222	0.1	1.4072	1.1	103.6
UK	(£)	1.5073	+0.0007	070 - 076	1.5084	1.5017	1.5058	1.2	1.5038	0.9	1.4993	0.5	89.1
Ecu	-	1.1576	+0.003	571 - 581	1.1581	1.1522	1.1555	2.2	1.1527	1.7	1.1494	0.7	-
SDR†	-	1.41319	-	-	-	-	-	-	-	-	-	-	-
Americas													
Argentina	(Peso)	0.9998	-0.0004	997 - 998	1.0002	0.9997	-	-	-	-	-	-	-
Brazil	(Cr)	1279.65	+21.6	960 - 970	1279.80	1279.50	-	-	-	-	-	-	-
Canada	(C$)	1.3809	+0.0054	806 - 811	1.3820	1.3755	1.3831	-1.9	1.387	-1.8	1.4007	-1.4	83.6
Mexico	(New Peso)	3.2600	-0.03	550 - 650	3.2700	3.2500	3.261	-0.4	3.2628	-0.3	3.2702	-0.3	-
USA	($)	-	-	-	-	-	-	-	-	-	-	-	99.9
Pacific/Middle East/Africa													
Australia	(A$)	1.4050	+0.0102	045 - 055	1.4070	1.3951	1.4062	-1.1	1.4109	-1.7	1.4215	-1.2	86.8
Hong Kong	(HK$)	7.7251	-0.0007	246 - 256	7.7260	7.7243	7.7281	-0.5	7.7341	-0.5	7.7588	-0.4	-
India	(Rs)	31.3675	+0.0025	650 - 700	31.3850	31.3650	31.4325	-2.5	31.5675	-2.6	-	-	-
Japan	(Y)	101.885	-0.765	850 - 920	102.600	101.850	101.74	1.7	101.36	2.1	99.305	2.5	148.9
Malaysia	(M$)	2.6913	-0.0017	908 - 918	2.6945	2.6900	2.6843	3.1	2.6688	3.3	2.7313	-1.5	-
New Zealand	(NZ$)	1.7433	+0.0006	422 - 443	1.7445	1.7422	1.7448	-0.9	1.7491	-1.3	1.771	-1.6	-
Philippines	(Peso)	27.5350	-	850 - 850	27.6850	27.3850	-	-	-	-	-	-	-
Saudi Arabia	(SR)	3.7503	-0.0001	501 - 504	3.7506	3.7500	3.751	-0.2	3.7533	-0.3	3.7648	-0.4	-
Singapore	(S$)	1.5547	-0.0011	543 - 550	1.5580	1.5540	1.554	0.5	1.5535	0.3	1.5521	0.2	-
S Africa (Com.)	(R)	3.5675	-0.01	650 - 700	3.5750	3.5600	3.584	-5.6	3.61	-4.8	3.703	-3.8	-
S Africa (Fin.)	(R)	4.5850	-0.11	600 - 100	4.6120	4.5570	4.619	-8.9	4.679	-8.2	-	-	-
South Korea	(Won)	807.250	+0.2	200 - 300	807.400	807.200	810.25	-4.5	813.75	-3.2	832.25	-3.1	-
Taiwan	(T$)	26.4250	+0.035	000 - 500	26.4500	26.3900	26.4905	-3.0	26.591	-2.5	-	-	-
Thailand	(Bt)	25.2100	-0.01	000 - 200	25.2300	25.2000	25.29	-3.8	25.415	-3.3	25.935	-2.9	-

†SDR rate for Apr 27. Bid/offer spreads in the Dollar Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. UK, Ireland & ECU are quoted in US currency. J.P. Morgan indices shown for Apr 27. Base average 1990=100

CROSS RATES AND DERIVATIVES

EXCHANGE CROSS RATES

Apr 28		BFr	DKr	FFr	DM	I£	L	Fl	NKr	Es	Pta	SKr	SFr	£	C$	$	Y	Ecu
Belgium	(BFr)	100	19.08	16.66	4.858	1.986	4655	5.455	21.08	498.7	395.9	22.54	4.138	1.930	4.017	2.909	296.5	2.513
Denmark	(DKr)	52.41	10	8.730	2.546	1.041	2440	2.859	11.05	261.4	207.5	11.82	2.169	1.012	2.105	1.525	155.4	1.317
France	(FFr)	60.03	11.45	10	2.917	1.192	2795	3.275	12.65	299.4	237.7	13.53	2.484	1.159	2.411	1.746	178.0	1.509
Germany	(DM)	20.58	3.927	3.429	1	0.409	958.3	1.123	4.338	102.7	81.49	4.640	0.852	0.397	0.827	0.599	61.03	0.517
Ireland	(I£)	50.35	9.606	8.387	2.446	1	2344	2.746	10.61	251.1	199.3	11.35	2.084	0.972	2.022	1.465	149.3	1.265
Italy	(L)	2.148	0.410	0.358	0.104	0.043	100.	0.117	0.453	10.71	8.503	0.484	0.089	0.041	0.086	0.062	6.368	0.054
Netherlands	(Fl)	18.33	3.498	3.054	0.891	0.364	853.5	1	3.864	91.44	72.58	4.133	0.759	0.354	0.736	0.533	54.35	0.461
Norway	(NKr)	47.45	9.052	7.903	2.305	0.942	2209	2.588	10	236.6	187.8	10.70	1.963	0.916	1.906	1.380	140.7	1.192
Portugal	(Es)	20.05	3.825	3.340	0.974	0.398	933.4	1.094	4.226	100.	79.37	4.520	0.830	0.387	0.805	0.583	59.44	0.504
Spain	(Pta)	25.26	4.820	4.208	1.227	0.502	1176	1.378	5.324	126.0	100.	5.695	1.045	0.488	1.015	0.735	74.89	0.635
Sweden	(SKr)	44.36	8.463	7.389	2.155	0.881	2065	2.420	9.349	221.2	175.6	10	1.836	0.856	1.782	1.290	131.5	1.115
Switzerland	(SFr)	24.17	4.611	4.025	1.174	0.480	1125	1.318	5.093	120.5	95.66	5.448	1	0.466	0.971	0.703	71.64	0.607
UK	(£)	51.81	9.885	8.630	2.517	1.029	2412	2.826	10.92	258.4	205.1	11.68	2.144	1	2.081	1.507	153.6	1.302
Canada	(C$)	24.90	4.750	4.147	1.210	0.494	1159	1.358	5.247	124.2	98.56	5.613	1.030	0.481	1	0.724	73.81	0.626
US	($)	34.38	6.559	5.727	1.670	0.683	1601	1.875	7.246	171.5	136.1	7.750	1.423	0.664	1.381	1	101.9	0.864
Japan	(Y)	337.3	64.36	56.18	16.39	6.699	15703	18.40	71.09	1682	1335	76.04	13.96	6.510	13.55	9.811	1000.	8.477
Ecu		39.79	7.592	6.626	1.933	0.790	1853	2.171	8.387	198.5	157.5	8.971	1.647	0.768	1.598	1.157	118.0	1

Yen per 1,000; Danish Kroner, French Franc, Norwegian Kroner and Swedish Kronor per 10; Belgian Franc, Escudo, Lira and Peseta per 100.

EMS EUROPEAN CURRENCY UNIT RATES

Apr 28	Ecu cen. rates	Rate against Ecu	Change on day	% +/- from cen. rate	% spread v weakest	Div. ind.
Ireland	0.808628	0.790257	-0.000208	-2.27	5.29	15
Netherlands	2.19672	2.17159	+0.00001	-1.14	4.09	-
Belgium	40.2123	39.8003	+0.0109	-1.02	3.97	7
Germany	1.94964	1.93384	+0.00145	-0.82	3.75	-
France	6.53883	6.63309	-0.00527	1.44	1.44	-12
Denmark	7.43679	7.59213	-0.01371	2.09	0.80	-14
Spain	154.250	157.598	-0.348	2.17	0.72	-15
Portugal	192.854	198.451	-0.147	2.90	0.00	-19
NON ERM MEMBERS						
Greece	264.513	284.147	+0.216	7.42	-4.21	-
Italy	1793.19	1853.37	-5.26	3.36	-0.44	-
UK	0.786749	0.767841	+0.001826	-2.43	5.46	-

Ecu central rates set by the European Commission. Currencies are in descending relative strength. Percentage changes are for Ecu; a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate.
(17/9/92) Sterling and Italian Lira suspended from ERM. Adjustment calculated by the Financial Times.

■ D-MARK FUTURES (IMM) DM 125,000 per DM

	Open	Latest	Change	High	Low	Est. vol	Open int.
Jun	0.5964	0.5972	+0.0019	0.5977	0.5954	43,264	99,614
Sep	0.5944	0.5961	+0.0018	0.5965	0.5944	290	3,297
Dec	0.5960	0.5960	+0.0015	0.5960	0.5960	10	138

■ JAPANESE YEN FUTURES (IMM) Yen 12.5 per Yen 100

	Open	Latest	Change	High	Low	Est. vol	Open int.
Jun	0.9780	0.9820	+0.0069	0.9843	0.9765	16,451	55,408
Sep	0.9850	0.9882	+0.0073	0.9900	0.9850	237	2,794
Dec	0.9925	0.9950	+0.0057	0.9950	0.9925	9	669

■ PHILADELPHIA SE £/$ OPTIONS £31,250 (cents per pound)

Strike Price	CALLS May	CALLS Jun	CALLS Jul	PUTS May	PUTS Jun	PUTS Jul
1.425	7.98	7.90	8.01	-	0.03	0.29
1.450	5.56	5.64	5.98	-	0.20	0.67
1.475	3.20	3.59	4.13	0.12	0.64	1.32
1.500	1.34	2.01	2.64	0.70	1.49	2.31
1.525	0.34	0.95	1.62	2.19	2.87	3.66
1.550	0.03	0.37	0.90	4.32	4.79	5.42

Previous day's vol., Calls 16,667 Puts 4,369 . Prev. day's open int., Calls 518,948 Puts 455,695

■ SWISS FRANC FUTURES (IMM) SFr 125,000 per SFr

	Open	Latest	Change	High	Low	Est. vol	Open int.
Jun	0.6996	0.7023	+0.0036	0.7030	0.6990	18,706	38,765
Sep	0.7012	0.7033	+0.0027	0.7045	0.7010	16	384
Dec	-	0.7029	-	-	-	1	337

■ STERLING FUTURES (IMM) £62,500 per £

	Open	Latest	Change	High	Low	Est. vol	Open int.
Jun	1.5034	1.5038	+0.0004	1.5064	1.5008	43,935	44,264
Sep	1.4980	1.5016	+0.0012	1.5020	1.4980	282	1,042
Dec	-	1.5000	-	1.5000	1.4970	3	33

WORLD INTEREST RATES

MONEY RATES

April 28	Over night	One month	Three mths	Six mths	One year	Lomb. inter.	Dis. rate	Repo rate
Belgium	5 11/16	5 23/32	5 3/4	5 3/4	5 13/16	7.40	4.75	-
week ago	-	5 23/32	5 7/8	5 7/8	5 7/8	7.40	4.75	-
France	5 13/16	5 7/8	5 13/16	5 13/16	5 3/4	5.70	-	7.75
week ago	6 1/4	5 7/8	5 15/16	5 13/16	5 7/8	5.80	-	7.75
Germany	5.55	5.45	5.38	5.32	5.28	6.50	5.00	5.47
week ago	5.30	5.45	5.40	5.30	5.28	6.50	5.00	5.70
Ireland	5 7/8	6 1/8	6	6 1/8	6 3/8	-	-	6.50
week ago	6	5 7/8	6 1/4	6 3/8	6 3/8	-	-	6.50
Italy	8 1/2	7 7/8	7 7/8	7 7/8	8	-	8.00	8.27
week ago	8 7/8	7 7/8	8	8 1/8	8 1/4	-	8.00	8.27
Netherlands	5.46	5.37	5.33	5.39	5.32	-	5.25	-
week ago	4.75	5.37	5.26	5.26	5.25	-	5.25	-
Switzerland	3 3/4	3 5/8	4	4	4	6.625	3.50	-
week ago	4	3 5/8	4 1/16	4 1/8	4 1/8	6.625	3.50	-
US	3 11/16	3 7/8	4 3/8	4 3/8	5 3/8	-	3.00	-
week ago	3 11/16	3 7/8	4 3/8	4 5/8	5 1/4	-	3.00	-
Japan	2 1/8	2 1/4	2 1/4	2 3/8	2 5/8	-	1.75	-
week ago	2 1/4	2 1/4	2 1/4	2 1/4	2 5/8	-	1.75	-
■ $ LIBOR FT London								
Interbank Fixing	-	3 5/8	4 1/4	4 5/8	5 1/4	-	-	-
week ago	-	3 5/8	4 1/4	4 5/8	5 3/8	-	-	-
US Dollar CDs	-	3.75	4.01	4.38	4.91	-	-	-
week ago	-	3.75	4.03	4.42	5.00	-	-	-
SDR Linked Ds	-	3 5/8	3 7/8	3 15/16	4	-	-	-
week ago	-	3 5/8	3 7/8	3 7/8	4	-	-	-

ECU Linked Ds mid rates: 1 mth: 5 7/8; 3 mths: 5 7/8; 6 mths: 5 13/16; 1 year: 5 13/16. $ LIBOR interbank fixing rates are offered rates for $10m quoted to the market by four reference banks at 11am each working day. The banks are: Bankers Trust, Bank of Tokyo, Barclays and National Westminster.
Mid rates are shown for the domestic Money Rates, US $ CDs and SDR Linked Deposits (Ds).

EURO CURRENCY INTEREST RATES

Apr 28	Short term	7 days notice	One month	Three months	Six months	One year
Belgian Franc	5 3/4 - 5 5/8	5 3/4 - 5 5/8	5 3/4 - 5 5/8	5 3/4 - 5 5/8	5 13/16 - 5 11/16	5 13/16 - 5 11/16
Danish Krone	6 1/4 - 5 3/4	6 1/4 - 5 3/4	6 1/8 - 5 13/16	6 1/4 - 5 13/16	6 1/8 - 5 13/16	6 1/8 - 5 13/16
D-Mark	5 5/8 - 5 1/2	5 9/16 - 5 7/16	5 1/2 - 5 3/8	5 3/8 - 5 1/4	5 5/16 - 5 3/16	5 5/16 - 5 3/16
Dutch Guilder	5 7/16 - 5 5/16	5 7/16 - 5 5/16	5 3/8 - 5 1/4	5 5/16 - 5 3/16	5 5/16 - 5 3/16	5 5/16 - 5 3/16
French Franc	5 15/16 - 5 13/16	5 15/16 - 5 13/16	5 7/8 - 5 3/4	5 13/16 - 5 11/16	5 3/4 - 5 5/8	5 3/4 - 5 5/8
Portuguese Esc.	11 3/4 - 11 1/2	12 3/8 - 12	12 5/8 - 12 1/4	11 7/8 - 11 5/8	11 - 11 1/2	10 3/16 - 9 15/16
Spanish Peseta	7 15/16 - 7 5/8	7 15/16 - 7 5/8	7 7/8 - 7 13/16	7 7/8 - 7 11/16	7 7/8 - 7 11/16	7 7/8 - 7 11/16
Sterling	4 7/8 - 4 3/4	4 7/8 - 4 3/4	5 1/16 - 5	5 1/4 - 5 1/8	5 7/16 - 5 5/16	5 7/8 - 5 3/4
Swiss Franc	3 7/8 - 3 3/4	4 - 3 3/4	3 15/16 - 3 13/16	4 - 3 7/8	4 - 3 7/8	4 - 3 7/8
Can. Dollar	5 7/16 - 5 3/8	5 11/16 - 5 7/16	5 3/4 - 5 1/2	6 1/4 - 5 15/16	6 3/8 - 6 1/8	6 13/16 - 6 9/16
US Dollar	3 3/4 - 3 5/8	3 13/16 - 3 11/16	3 13/16 - 3 11/16	4 1/4 - 4 1/8	4 5/8 - 4 1/2	5 1/4 - 5 1/8
Italian Lira	9 - 7 1/2	8 - 7 1/2	8 - 7 1/2	8 - 7 3/8	8 - 7 5/8	8 1/8 - 7 7/8
Yen	2 1/4 - 2 1/8	2 3/8 - 2 1/4	2 3/8 - 2 1/4	2 3/8 - 2 1/4	2 7/16 - 2 3/8	2 5/8 - 2 1/2
Asian $Sing	3 1/2 - 2 1/2	3 1/2 - 2 1/2	3 1/2 - 2 1/2	4 - 3	4 - 3	4 1/4 - 3 1/4

Short term rates are call for the US Dollar and Yen, others: two days' notice.

■ THREE MONTH PIBOR FUTURES (MATIF) Paris interbank offered rate

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	94.34	94.34	+0.02	94.36	94.33	22,623	62,404
Sep	94.51	94.53	+0.05	94.56	94.51	16,651	48,662
Dec	94.50	94.52	+0.06	94.55	94.50	10,193	37,036
Mar	94.43	94.41	+0.04	94.44	94.40	7,237	33,446

■ THREE MONTH EURODOLLAR (LIFFE)* $1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	95.35	95.31	-0.03	95.35	95.34	101	5219
Sep	94.80	94.74	-0.04	94.80	94.79	85	2268
Dec	94.32	94.23	-0.10	94.33	94.32	26	1602
Mar	-	94.02	-0.11	-	-	0	972

■ THREE MONTH EUROMARK FUTURES (LIFFE)* DM1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	94.83	94.79	-0.01	94.83	94.78	26865	200116
Sep	94.95	94.93	+0.01	94.96	94.91	30833	156423
Dec	94.88	94.88	+0.02	94.94	94.86	47368	176277
Mar	94.85	94.82	+0.02	94.91	94.80	37983	191072

■ THREE MONTH EUROLIRA INT.RATE FUTURES (LIFFE) L1000m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	92.34	92.25	-0.05	92.34	92.25	5680	45569
Sep	92.37	92.31	-0.04	92.38	92.29	2240	26266
Dec	92.25	92.18	-0.01	92.25	92.15	2207	31294
Mar	92.07	92.01	-0.01	92.07	91.98	657	11760

■ THREE MONTH EURO SWISS FRANC FUTURES (LIFFE) SFr1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	96.14	96.09	-0.02	96.14	96.06	3393	26922
Sep	96.12	96.09	-0.01	96.13	96.09	1034	11219
Dec	96.02	96.02	+0.03	96.05	96.02	625	4523
Mar	95.87	95.84	+0.02	95.87	95.84	22	841

■ THREE MONTH ECU FUTURES (LIFFE) Ecu1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	94.24	94.21	-0.01	94.25	94.22	776	11944
Sep	94.38	94.33	-0.02	94.40	94.33	435	12125
Dec	94.30	94.28	+0.01	94.34	94.29	378	6935
Mar	94.18	94.14	-	94.18	94.15	241	2483

* LIFFE futures traded on APT

■ THREE MONTH EURODOLLAR (IMM) $1m points of 100%

	Open	Latest	Change	High	Low	Est. vol	Open int.
Jun	95.34	95.34	+0.01	95.40	95.33	70,640	430,760
Sep	94.76	94.77	+0.02	94.85	94.76	101,973	393,226
Dec	94.32	94.28	-	94.42	94.27	116,851	353,619

■ US TREASURY BILL FUTURES (IMM) $1m per 100%

	Open	Latest	Change	High	Low	Est. vol	Open int.
Jun	95.77	95.77	+0.01	95.80	95.76	1,703	31,409
Sep	95.26	95.25	+0.01	95.32	95.25	2,487	10,507
Dec	94.89	94.84	-	94.97	94.84	399	5,504

All Open interest figs. are for previous day

■ EUROMARK OPTIONS (LIFFE) DM1m points of 100%

Strike Price	CALLS Jun	CALLS Sep	CALLS Dec	PUTS Jun	PUTS Sep	PUTS Dec
9475	0.10	0.27	0.32	0.06	0.08	0.19
9500	0.02	0.13	0.18	0.23	0.20	0.31
9525	0.01	0.05	0.11	0.47	0.37	0.48

Est. vol. total, Calls 8882 Puts 4847. Previous day's open int., Calls 226377 Puts 181442

■ EURO SWISS FRANC OPTIONS (LIFFE) SFr 1m points of 100%

Strike Price	CALLS Jun	CALLS Sep	CALLS Dec	PUTS Jun	PUTS Sep	PUTS Dec
9600	0.13	0.20	0.27	0.04	0.11	0.25
9625	0.03	0.07	0.15	0.19	0.23	0.38
9650	0.01	0.03	0.07	0.42	0.44	0.55

Est. vol. total, Calls 0 Puts 0. Previous day's open int., Calls 549 Puts 4054

UK INTEREST RATES

LONDON MONEY RATES

Apr 28	Over-night	7 days notice	One month	Three months	Six months	One year
Interbank Sterling	5 - 4 1/2	4 7/8 - 4 5/8	5 1/8 - 5	5 1/4 - 5 1/8	5 7/16 - 5 5/16	5 7/8 - 5 3/4
Sterling CDs	-	-	5 1/32 - 4 31/32	5 1/8 - 5 1/16	5 3/8 - 5 1/4	5 3/4 - 5 11/16
Treasury Bills	-	-	4 7/8 - 4 13/16	4 15/16 - 4 7/8	-	-
Bank Bills	-	-	4 7/8 - 4 13/16	4 15/16 - 4 7/8	5 1/8 - 5 1/16	-
Local authority deps.	4 13/16 - 4 11/16	4 13/16 - 4 11/16	5 1/16 - 5	5 3/16 - 5 1/16	5 3/8 - 5 1/4	5 13/16 - 5 11/16
Discount Market Deps	5 1/4 - 5	4 13/16 - 4 11/16	-	-	-	-

UK clearing bank base lending rate 5 1/4 per cent from February 8, 1994

	Up to 1 month	1-3 month	3-6 months	6-9 months	9-12 months
Certs of Tax dep. (£100,000)	1 1/2	4	3 3/4	3 3/4	3 1/2

Certs of Tax dep. under £100,000 is 1 1/2pc. Deposits withdrawn for cash 1/2pc.
Ave. tender rate of discount 4.8610pc. ECGD fixed rate Stg. Export Finance. Make up day April 29, 1994. Agreed rate for period May 25, 1994 to Jun 25, 1994, Scheme II & III 6.36pc. Reference rate for period Apr 1, 1994 to Apr 29, 1994, Schemes IV & V 5.266pc. Finance House Base Rate 5 1/2pc from Apr 1, 1994

■ THREE MONTH STERLING FUTURES (LIFFE) £500,000 points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	94.63	94.61	-	94.65	94.59	26579	92299
Sep	94.37	94.32	-0.02	94.40	94.32	13335	88575
Dec	93.92	93.84	-0.04	93.95	93.83	14261	119525
Mar	93.41	93.29	-0.06	93.43	93.29	5099	46305

Traded on APT. All Open interest figs. are for previous day.

■ SHORT STERLING OPTIONS (LIFFE) £500,000 points of 100%

Strike Price	CALLS Jun	CALLS Sep	CALLS Dec	PUTS Jun	PUTS Sep	PUTS Dec
9450	0.16	0.17	0.13	0.05	0.35	0.79
9475	0.04	0.09	0.08	0.18	0.52	0.99
9500	0.01	0.04	0.04	0.40	0.72	1.20

Est. vol. total, Calls 4053 Puts 2307. Previous day's open int., Calls 169756 Puts 156834

BASE LENDING RATES

	%		%		%
Adam & Company	5.25	Duncan Lawrie	5.25	* Roxburghe Guarantee Corporation Limited is no longer authorised as a banking institution.	8
Allied Trust Bank	5.25	Exeter Bank Limited	6.25	Royal Bk of Scotland	5.25
AIB Bank	5.25	Financial & Gen Bank	6	●Smith & Williamson Secs.	5.25
●Henry Ansbacher	5.25	●Robert Fleming & Co	5.25	Standard Chartered	5.25
Bank of Baroda	5.25	Girobank	5.25	TSB	5.25
Banco Bilbao Vizcaya	5.25	●Guinness Mahon	5.25	●United Bk of Kuwait	5.25
Bank of Cyprus	5.25	Habib Bank AG Zurich	5.25	Unity Trust Bank Plc	5.25
Bank of Ireland	5.25	●Hambros Bank	5.25	Western Trust	5.25
Bank of India	5.25	Heritable & Gen Inv Bk.	5.25	Whiteaway Laidlaw	5.25
Bank of Scotland	5.25	●Hill Samuel	5.25	Yorkshire Bank	5.25
Barclays Bank	5.25	C. Hoare & Co	5.25		
Brit Bk of Mid East	5.25	Hongkong & Shanghai	5.25		
●Brown Shipley & Co Ltd	5.25	Julian Hodge Bank	5.25		
CL Bank Nederland	5.25	●Leopold Joseph & Sons	5.25		
Citibank NA	5.25	Lloyds Bank	5.25		
Clydesdale Bank	5.25	Meghraj Bank Ltd	5.25		
The Co-operative Bank	5.25	Midland Bank	5.25		
Coutts & Co	5.25	* Mount Banking	6		
Credit Lyonnais	5.25	NatWestminster	5.25		
Cyprus Popular Bank	5.25	●Rea Brothers	5.25		

● Members of British Merchant Banking & Securities Houses Association
* In administration

MONEY MARKET FUNDS

Money Market Trust Funds

[illegible]

Money Market Bank Accounts

[illegible]

WORLD STOCK MARKETS

EUROPE

AUSTRIA (Apr 28 / Sch)

BELGIUM/LUXEMBOURG (Apr 28 / Frs.)

DENMARK (Apr 28 / Kr)

FINLAND (Apr 28 / Mkk)

FRANCE (Apr 28 / Frs.)

NETHERLANDS (Apr 28 / Fls.)

GERMANY (Apr 28 / Dm.)

NORWAY (Apr 28 / Kroner)

SPAIN (Apr 28 / Pts.)

SWEDEN (Apr 28 / Kronor)

SWITZERLAND (Apr 28 / Fr.)

ITALY (Apr 28 / Lire)

PACIFIC

JAPAN (Apr 28 / Yen)

HONG KONG (Apr 28 / H.K.$)

MALAYSIA (Apr 28 / MYR)

SINGAPORE (Apr 28 / S$)

AUSTRALIA (Apr 28 / Aus$)

NORTH AMERICA

CANADA

TORONTO (Apr 28 / Can $)

4 pm close

MONTREAL (Apr 28 / Can $)

4 pm close

AFRICA

SOUTH AFRICA (Apr 28 / Rand)

Prices supplied by Telekurs

NOTES - Prices on this page are as quoted on the individual exchanges and are mostly last traded prices. Highs/Lows are for 1994, except Toronto & Montreal (daily). # Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

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■ TOKYO - MOST ACTIVE STOCKS: Thursday, April 28, 1994

	Stocks Traded	Closing Prices	Change on day		Stocks Traded	Closing Prices	Change on day
Sumitomo Coal	5.1m	970	-23	Marubeni	2.9m	519	+5
Kawasaki Steel	4.2m	371	+10	Yamato Transport	2.7m	1260	-10
Kobe Steel	3.5m	285	-3	Tokyo Gas	2.6m	542	+9
Brother Inds	3.4m	638	+6	Mitsubishi Est	2.6m	1180	
Pacific Metals	3.1m	451	-4	Nippon Steel	2.5m	347	+5

INDICES

US INDICES

				High	Low	Since compilation High	Since compilation Low
Composite ‡	451.87	452.71	447.83	482.00 (2/2)	438.92 (4/4)	482.00 (2/2/94)	4.40 (1/6/32)
Industrials¶	525.44	525.52	519.09	580.59 (2/2)	516.05 (21/4)	580.59 (2/2/94)	3.62 (21/6/32)
Financial	43.53	43.62	43.60	46.56 (31/1)	41.39 (4/4)	46.46 (28/9/93)	8.64 (1/10/74)
NYSE Comp.	250.41	250.47	247.95	267.71 (2/2)	243.14 (4/4)	267.71 (2/2/94)	4.46 (25/4/42)
Amex Mkt Val	438.20	435.97	433.31	487.89 (2/2)	427.60 (20/4)	487.88 (2/2/94)	29.31 (9/12/72)
NASDAQ Cmp	734.21	730.80	722.56	803.93 (18/3)	705.51 (20/4)	803.93 (18/3/94)	54.87 (31/10/72)

■ RATIOS

	Apr 22	Apr 15	Apr 8	Year ago
Dow Jones Ind. Div. Yield	2.79	2.77	2.78	3.01
	Apr 27	Apr 20	Apr 13	Year ago
S & P Ind. Div. yield	2.48	2.55	2.51	2.57
S & P Ind. P/E ratio	23.94	23.24	23.67	29.46

■ STANDARD AND POORS 500 INDEX FUTURES $500 times index

	Open	Latest	Change	High	Low	Est. vol.	Open int.
Jun	451.50	451.00	-0.75	453.55	450.10	53,990	186,961
Sep	452.80	453.00	-0.95	453.00	452.60	840	9,096
Dec	-	455.50	-	-	455.30	21	5,646

Open interest figures are for previous day.

■ CAC-40 STOCK INDEX FUTURES (MATIF)

	Open	Sett Price	Change	High	Low	Est. vol.	Open int.
Apr	2163.0	2151.0	+7.0	2173.0	2148.0	38,349	14,196
May	2160.5	2149.5	+7.0	2172.0	2147.0	16,418	13,425
Jun	2144.5	2133.0	+6.5	2152.5	2134.0	1,702	28,713

Open interest figures for previous day.

■ NEW YORK ACTIVE STOCKS

Tuesday	Stocks traded	Close price	Change on day
RJR Nabisco	10,894,400	7	+⅛
Telefonos	5,473,700	58¾	+1¼
K Mart	4,116,000	16¼	-¼
Philip Morris	3,619,300	54¼	+2
Merck	2,867,000	30¼	-⅜
Motorola	2,577,900	45⅝	-⅛
AirTouch	2,549,500	23⅞	+¾
Unisys	2,518,300	11¼	-⅜
IBM	2,216,200	58⅛	-¾
UNUM	1,929,500	50¼	-4¾

■ TRADING ACTIVITY

● Volume (million)

	Apr 26	Apr 25	Apr 22
New York SE	287.981	282.241	290.843
Amex	16.164	11.525	16.264
NASDAQ	285.543	238.285	319.543
NYSE			
Issues Traded	2,785	2,778	2,776
Rises	1,258	1,535	1,279
Falls	918	651	911
Unchanged	609	592	586
New Highs	36	24	16
New Lows	62	62	84

[illegible] of all indices are 100 except: Australia All Ordinary and [illegible] Euro Top-100, ISEQ Overall; Toronto Comp./Metals & [illegible] All Common - 50 and Standard and Poor's - 10. §§ [illegible] 28 - 2237.82 -19.16

† Corrected low for 19/4: 3587.18. * Calculated at 15.00 GMT. ● Excluding bonds. ‡ Industrial, plus Utilities, Financial and Transportation. ♣ The DJ Ind. index theoretical day's highs and lows are the averages of the highest and lowest prices reached during the day by each stock; whereas the actual day's highs and lows (supplied by Telekurs) represent the highest and lowest values that the index has reached during the day. (The figures in brackets are previous day's). ¶ Subject to official recalculation.

4 pm close April 28

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

1994 High	Low	Stock	Div	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
17 3/8	14 1/8	AAR x	0.48	3.1	516	91	15 3/4	15 1/4	15 1/2	-1/8
16 7/8	13 5/8	A L Labs A	0.18	1.3	32	100	14	13 3/4	14	+1/8
65 1/2	57 7/8	AMP	1.68	2.7	22	6329	64 1/2	62 1/2	63 3/8	+1 1/4
72 3/4	52 1/8	AMR			30	6701	60 1/4	59 1/4	60	
5	3 5/8	ARX			15	85	4 3/4	4 1/2	4 5/8	-1/8
56 1/8	38 5/8	ASA	2.00	4.7	28	1318	43 1/8	42	42 3/4	+1 1/4
30 5/8	25 7/8	AbbtL	0.76	2.6	17	10993	28 7/8	28	28 3/4	+5/8
13 3/4	11 7/8	AbtMbl Pr	0.50	4.1	7	71	12 1/4	12	12 1/8	-1/8
13 3/4	11 1/8	Acpincaln			22	162	12 3/8	12 1/4	12 1/4	+1/8
31	24 1/2	ACE Ltd	0.40	1.4	4	61	28 1/2	28	28 1/4	-1/2
12 1/2	10 1/8	ACM Gvt In x	1.09	9.8		557	11 1/8	11	11 1/8	
10 1/8	7 7/8	ACM GvOpp x	0.80	9.2		12	8 5/8	8 1/2	8 5/8	
10 5/8	8 3/8	ACM Gvt Sp x	0.96	11.0		404	9	8 3/4	8 3/4	-1/4
12	9 3/8	ACM Gvt Se x	1.09	10.9		684	10 1/4	10	10	-1/4
11 3/4	8 3/4	ACM Man x	1.08	10.9		191	10	9 3/4	9 7/8	-1/8
9 3/4	8	ACM MgngdI x	0.72	8.6		135	8 1/2	8 3/8	8 3/8	-1/8
12 1/2	8 3/4	AcmeClr	0.44	3.6	15	842	u13	12 1/8	12 3/8	-1/8
8 1/2	7 1/8	Acme Elect			34	19	8 1/8	8	8	
28 1/4	23	Acordia	0.60	2.2	13	30	27 1/4	26 7/8	27 1/4	+1/4
9 3/8	5 3/4	Acieve	0.36	4.2	3	293	8 3/4	8 3/8	8 1/2	-1/8
13 5/8	11 1/4	Acuson			100	591	u13 3/4	13 1/8	13 1/8	-1/8
18 3/8	16 1/2	Adams Expr	0.48	2.8	0	230	17	16 7/8	17	+1/8
64	46 1/2	Ad Micro	3.00	5.5		877	56 1/8	54 1/2	54 1/2	-1 1/4
31 3/4	18 3/4	AdvMic	3.00	11.5	11	8768	27 1/4	25 3/4	26	-1
6 7/8	5 1/8	Advest Grp	0.16	3.1	8	160	5 3/8	5 1/8	5 1/8	-1/8
20	16 3/4	Advo Inc	0.10	0.6	115	121	17 3/8	16 7/8	17 3/8	+1/2

[illegible]

- A - - B - - C - - D - - E - - F - - G - - H - - I - - J - - K - - L - - M - - N - - O - - P - Q - - R - - S -

[illegible]

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4 pm close April 28

NYSE COMPOSITE PRICES

Continued from previous page

1994 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Chng Prev Close
18½	13⅝	SbyIG	0.36	2.4	8	501	15	14⅝	14⅞	-⅛
27	19¾	Safeway			24	2127	25¼	24½	24½	-½
6⅝	4⅛	SafewayW96				52	6	5¾	5¾	-⅛
57⅞	50¼	StJoePaper	0.20	0.4	296	46	56⅞	56¼	56¾	-¼
30¾	28	StJosL&P x	1.80	6.3	14	10	29	28¾	28¾	+1.37
90	76⅝	StPaul	3.00	3.8	8	809	80⅞	79½	79¾	-⅞
9⅞	6⅛	Salant Crp			10	35	8¼	8⅛	8¼	
49⅞	38¾	Sallie Mae	1.40	3.6	8	2789	39¾	38⅞	39	+⅛
13⅞	11⅞	Salomon Br	0.28	2.3		239	12½	12⅜	12⅜	-⅛
52¾	44¾	Salomon	0.64	1.3	6	3517	49¼	48¼	48½	-1
25	21½	SnDgGE	1.52	6.9	11	653	21⅞	d21½	21⅞	-⅛
10	7½	SantaFeERs	0.16	1.8	9	828	8⅞	8⅝	8¾	-¼
40	34⅝	SantaFePac x	2.88	7.6	17	37	37⅛	36¾	36⅞	-¼
26¼	21	SanFeP	0.10	0.5	11	3842	22⅛	21⅝	21⅝	-½
36	20⅛	SaraLee	0.64	3.1	14	9608	20⅞	20½	20¾	+¼
50⅛	44½	Scana Corp	2.82	6.2	12	367	46¼	45¾	45⅝	-¾
20½	15⅝	Scecrp	1.42	9.0	11	7886	15¾	15½	15¾	
40½	34¾	SchererRP			27	259	36¼	36⅛	36⅝	-⅛
69⅞	54½	SchrPl	2.04	3.4	14	4058	61⅛	60½	60¾	-⅛
61½	50¾	Schlmb	1.20	2.2	22	4195	55⅞	54½	54¾	-1
33	25¾	Schwab(C) x	0.20	1.0	13	1415	28½	28	28⅛	-⅛
10¾	6⅞	Schwitzer			26	72	9½	9¼	9¼	-¼
38⅞	24⅞	SciAtl	0.12	0.4	58	2284	30	28⅞	29⅛	-⅛
16⅞	13⅛	Scotsman	0.10	0.7	12	158	13⅝	13⅜	13⅝	+¼
46¾	37¼	ScottP	0.80	1.9	70	2902	41½	40¾	41¼	+½
28⅝	18⅝	ScuddNAsF	0.21	0.9		71	22⅞	22¾	22⅞	
12⅝	9¾	ScuddrNEuF	0.16	1.5		92	10⅞	10¾	10⅞	+⅛
18¼	16	SeaCnB	0.70	4.2	8	6	16¾	16½	16¾	+¾
16½	15¾	SeaCT.4625	1.46	9.1		9	16	16	16	

NASDAQ NATIONAL MARKET

4 pm close April 28

AMEX COMPOSITE PRICES

4 pm close April 28

FINANCIAL TIMES Friday April 29 1994

AMERICA

Dow follows bearish line in bond trade

Wall Street

Blue chip stocks fell back yesterday after conflicting economic news triggered a sell-off in bonds, but secondary indices held steady, *writes Frank McGurty in New York.*

By 1 pm, the Dow Jones Industrial Average was 15.47 lower at 3,684.07, while the more broadly based Standard & Poor's 500 was down 1.13 to 450.74 in brisk activity.

The American SE composite was 1.22 better at 439.42, and the Nasdaq composite added 0.46 to 734.67.

Equity investors were disappointed by the severity of the bond market's reaction to the commerce department's preliminary report on first quarter gross domestic product. The headline figure of 2.6 per cent growth was about a half point lower than most economists had forecast and the data raised the possibility of a rally in fixed-rate securities which lose real value if inflation accelerates.

Bonds declined as traders focused on a slightly higher-than-expected 2.9 per cent rise in the fixed-weight deflator, which is taken as a measure of inflation. The treasury market was also upset by a big decline in weekly claims for unemployment benefit.

The news increased the possibility of strong April payroll data, suggesting constraints in the labour market that could lead companies to lift wages.

Blue chips followed the treasury market closely until mid morning, when the Dow touched bottom with a 30-point decline and began to retrace the day's losses. Bonds lurched downward again near midday, but equity investors did not flinch a second time.

Stocks which are closely linked to the economic cycle registered moderate declines, perhaps because of concern that a fresh boost in interest rates could restrain growth during the rest of the year.

Caterpillar dropped $1¼ to $109⅝, Deere shed $1 to $77⅞ and International Business Machines lost $1⅛ to $57⅞.

Investors tended to downplay favourable earnings reports released during the session. Dow Chemical edged $⅜ higher $63⅜ after announcing an impressive 38 per cent earnings gain.

General Motors nearly doubled its net income to 81 cents a share in the first quarter, but the results could only move the share price $⅝ ahead to $57⅞.

Chrysler added $¼ to $49⅞ and Ford $½ to $58⅝.

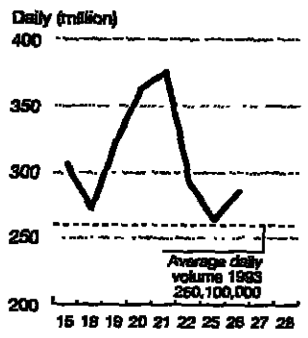
Transport issues were a bright spot after a Teamsters union official said that negotiators had reached an agreement with trucking companies which could end a week-long strike.

Consolidated Freightways climbed $1⅛ to $26⅝ on the news and Roadway Services jumped $2 to $69⅝.

Airline stocks were also buoyant, helping to lift the Dow transportation index 11.04 to 1,635.85.

Delta gained $1⅜ to $44⅞ after unveiling a plan to cut $2bn in operating costs and reduce its workforce by 15,000 over three years. UAL, parent of United Airlines, was marked up $1¼ to $128⅝ after announcing that it had halved its loss in the first quarter.

NYSE volume



Canada

Toronto stocks edged lower as the bond market weakened following the release of US economic data, which was viewed negatively by investors..

The TSE 300 composite index was off 8.96 at 4,278.81 in volume of 25.9m shares valued at C$369.9m.

Declining stocks led advances 185 to 167, with 217 issues unchanged.

The consumer products sector weighed on sentiment, losing 24.87 to 6,761.02, with metals and minerals down 27.69 at 3,478.12.

Strong sectors included gold and silver, up 32.51 to 9,367.30. Placer Dome was up C$⅛ at C$28¼ after releasing higher first quarter profits on Wednesday.

The communications and media sector gained 19.42 to 9,267.63.

EUROPE

US influenced, bourses lose early gains

US bond and equity markets, coming back from a day's closure, spoiled the mood in Europe yesterday, *writes Our Markets Staff.*

FRANKFURT flirted early in the day with its 1994 Dax closing high of 2,268, inspired by a near 47 per cent jump in first quarter profits from BASF, but it ran out of steam later, and went into decline under foreign and domestic pressure.

The Dax closed officially 2.35 lower at 2,251.22 with BASF DM3.20 higher at DM337.90, after DM343.80, and an eloquent contrast in carmakers where BMW rose DM15 to DM895 but Volkswagen, under renewed pressure from the Lopez case, ended 80 pfg lower at DM523.70. Turnover fell from DM10.9bn to DM9.2bn.

There was worse to come for VW, down to DM515 in the post bourse, said Mr Nigel Longley at Commerzbank, as weakness in the US bond market took German bunds down with it. VW was outdone in terms of discomfort by Allianz, DM69 lower overall at DM2,602, and both Deutsche Bank and Siemens also saw post bourse weakness.

AMSTERDAM retreated from earlier highs following the release of US economic data. The AEX index, which had earlier seen a session high of 420.18, ended the day off 1.51 at 415.81.

While there was weakness among some of the heavily weighted issues, such as Royal Dutch, down Fl 1.60 at Fl 207.90, other stocks maintained a positive stance.

Elsevier, for example, retained a 30 cent gain to Fl 167.70, helped by a number of positive brokers' reports. Mr Ian Blackford of NatWest Securities was among those who reiterated an outperform rating on the stock on expectation of higher earnings this year.

ZURICH continued to track Wall Street and the SMI index fell 22.4 to 2,768.9.

Nestlé fell SFr25 to SFr1,185 on foreign selling in delayed response to figures released at Wednesday's press conference.

UBS fell SFr22 to SFr1,186. NatWest Securities added its voice to those recommending a switch from UBS to Deutsche Bank. It noted that Deutsche had underperformed UBS by 45 per cent since early 1990.

Ciba registered fell SFr16 to SFr855. Shortly before the close, Glaxo said it had launched patent infringement proceedings in the US against a Ciba subsidiary over its application to launch a generic form of the Zantac ulcer drug. Analysts commented that Glaxo's action, which blocks the application for 30 months, should have come as no surprise to investors.

Swissair fell SFr25 or 3.2 per cent to SFr760 in response to its 1993 results.

PARIS, too, reflected the US data. The CAC-40 index, which had been as high as 2,172 at one point during the day, closed just 2.93 higher at 2,150.25.

Turnover was FFr3.9bn.

The 10 basis point cut by the Bank of France in the intervention rate, reducing the level to 5.70 per cent, excited only a modicum of interest: the news had been expected and had already been discounted.

MILAN stepped back from Wednesday's eight year high, awaiting the appointment of Mr Silvio Berlusconi as prime minister. The Comit index, up 16.6 per cent since the general election at the end of March, fell 5.37 to 808.26.

Banks were lower, but some industrials remained in demand on expectations for economic recovery. Pirelli was L77 higher at L3,246 and Fiat rose L47 to L6,968.

Magneti Marelli, a Fiat components subsidiary, fell L88 or 5.9 per cent to L1,410 on much heavier losses for 1993.

Sip fell L65 to L4,830 as the managing director said the company should hand over control of its mobile telephone business to Stet later in the year, in preparation for privatisation. Stet rose L52 to L6,207.

MADRID featured a fall of 1.80 to 323.58 in the general index, in turnover of Pta39bn, but Santander and Banesto continued to celebrate with gains of Pta210 to Pta6,020, and Pta77 to Pta1,075 respectively.

Brokers said that Santander was on a fully-diluted, ex-rights p/e for 1994 of about 9½ compared with between 10 and 11 for most Spanish banks; with Banesto, buying relied on price history before the Bank of Spain intervened, and Santander's ability to strengthen, and turn the company round.

STOCKHOLM was lower in spite of stronger bonds and the Affärsvärlden index lost 6.8 to 1477.5. Astra fell SKr8 to SKr149 after a local press report suggested that Germany's regulatory authority might expand its review of possible side-effects from Losec, the anti-ulcer drug that is Astra's best selling product. The company subsequently challenged the report.

WARSAW tested its 10 per cent limits on the downside for the second successive session, the Wig index falling 1,201.4, or 9.8 per cent to 11,020.3.

Written and edited by William Cochrane, John Pitt and Michael Morgan

FT-SE Actuaries Share Indices

Apr 28 — THE EUROPEAN SERIES

Hourly changes	Open	10.30	11.00	12.00	13.00	14.00	15.00	Close
FT-SE Eurotrack 100	1478.47	1479.92	1479.06	1477.33	1477.03	1477.11	1471.71	1468.98
FT-SE Eurotrack 200	1498.43	1497.37	1497.42	1495.12	1494.70	1495.76	1487.49	1484.36

	Apr 27	Apr 26	Apr 25	Apr 22	Apr 21
FT-SE Eurotrack 100	1471.03	1464.12	1449.13	1458.24	1435.73
FT-SE Eurotrack 200	1490.74	1480.81	1467.22	1476.82	1458.95

Base 1000 (26/10/90): High/day: 100 - 1480.65; 200 - 1497.80 Low/day: 100 - 1468.54 200 - 1482.25

Premium for Tele Danmark

By Hilary Barnes, in Copenhagen

Tele Danmark, the Danish telecommunications monopoly, went to a premium when trading in the shares opened in Copenhagen and New York yesterday.

The domestic market took the shares to DKr332.50, a premium of 7.3 per cent over the selling price of DKr310 ($23.53 per American depositary share) fixed for the privatisation earlier in the day, when subscriptions closed.

The offer was four times oversubscribed and raised a total of DKr19.5bn ($2.96bn). It was made on the book-building system, involving bids from potential shareholders, and the selling price was at the upper end of the DKr275-315 range at which bids were made.

The issue, which reduces the state's holding in the company to 51 per cent, has been watched with considerable interest as it is the first of a series of privatisations expected to be made by European telephone companies.

The selling price puts a value on Tele Danmark which is closely in line with telephone companies already listed on European and American stock exchanges.

The flotation was by far the biggest by a Danish company and one of the largest international issues ever made, according to Goldman Sachs, which acted, with Den Danske Bank, as international co-ordinator for the offer.

About 18 per cent of the shares were sold domestically and the rest to non-residents, including 41 per cent of the issue in the USA. The retail issue raised about $300m, said Tele Danmark, most of it through sales to 28,000 Danish investors.

The latter had more reason to feel pleased than investors in a recent Copenhagen Airport privatisation issue, where the shares traded at a discount to the offer price. The 10,500 employees of Tele Danmark, who bought 718,000 shares at a preferential price of DKr100, had even more of an excuse to celebrate last night.

ASIA PACIFIC

Nikkei subdued as region makes progress

Tokyo

The Nikkei closed virtually unchanged in pre-holiday trading, with most investors cautious over the volatility in the currency markets, *writes Emiko Terazono in Tokyo.*

The Nikkei index slipped 3.90 to 19,725.25 after a high of 19,762.95 and a low of 19,644.53. The yen rose Y0.30 to Y102.38 triggering profit-taking in electronics, precision instruments and automobile stocks by overseas investors.

Volume was 210m shares against 219m on Wednesday. The Topix index of all first section stocks edged up 1.82 to 1,603.33 and the Nikkei 300 rose 0.40 to 293.10. Gainers led losers by 507 to 440, with 203 issues remaining unchanged.

In London, the ISE/Nikkei 50 index fell 0.10 to 1,302.56.

Traders said that the inauguration of Mr Tsutomu Hata's government yesterday did little to help investor confidence: because the coalition does not have a majority within the parliamentary lower house, some investors expect it to be forced out within a couple of months after the budget bill is passed.

Some steel shares were higher on a rise in steel production figures and reduction of inventories. Kawasaki Steel rose Y10 to Y371 and Nippon Steel gained Y5 to Y347. Electric blast furnace steels were also higher with Tokyo Tekko rising Y100 to Y1,200 and Tokyo Steel up Y130 to Y2,390.

Sumitomo Coal Mining, the most actively traded issue of the day, lost Y23 to Y970 on profit-taking, while Pacific Metals declined Y4 to Y451.

Profit-taking also depressed some high-technology stocks. Sony fell Y130 to Y5,760, TDK lost Y90 to Y4,580 and Hitachi declined Y6 to Y960.

Nippon Telegraph and Telephone lost ground for the fourth consecutive day, declining Y3,000 to Y882,000. East Japan Railway fell Y1,000 to Y482,000.

In Osaka, the OSE average rose 61.16 to 22,018.49 in volume of 25.1m shares.

Roundup

The region's market were generally firmer yesterday.

AUSTRALIA was helped by an improvement in the futures market as the All Ordinaries index advanced 9.4 to 2,069.1. Volume was 179m shares valued at A$471.4m.

Brokers noted strong support for BHP, News Corp and Western Mining. BHP firmed 18 cents to A$17.02 after falling 8 cents on Wednesday; News Corp rose 14 cents to A$9.43 with 3.35m shares traded; and Western Mining jumped 17 cents to A$6.95, with 3.75m shares traded.

SEOUL's composite index added 11.96 to 909.39. Strong foreign interest in Kepco prompted domestic investors to follow suit and buying spread to Posco and other primary blue chips.

Kepco and Posco – both heavily weighted in the index – went limit high, gaining Won1,000 and Won2,000 to close at Won28,600 and Won64,200 respectively.

SINGAPORE was boosted by demand for blue chips and property issues, the latter on expectations that the government would release land, currently subject to long leases, for sale. The Straits Times Industrials index closed 13.93 higher at 2,304.64.

HONG KONG reversed a morning futures-induced dip to end the day modestly higher, but trade was very quiet. The Hang Seng index closed 49.84 higher at 9,163.09, having dipped during the morning to 9,013.82. Turnover remained light at HK$3.02bn.

MANILA saw interest in San Miguel, up 2 pesos to 242 pesos and Manila Electric, up 10 pesos at 530 pesos, as the composite index rose 13.48 to 2,854.46. Turnover eased to 864.3m pesos from Wednesday's 945.4m.

TAIWAN was mixed in volatile trading as profit-taking in industrials intensified, but the the weighted index managed to end the day 4.88 ahead at 5,887.86.

KUALA LUMPUR lost some ground on afternoon profit-taking as Technology Resources Industries continued to be sold down. The composite index, however, still finished 1.99 ahead at 1,055.34.

TRI fell 80 cents to M$11.30 in volume of 8.4m shares after its lower than expected earnings forecast on Wednesday.

NEW ZEALAND was led down by a fall in Telecom, off 8 cents at NZ$5.08 and the NZSE-40 capital index lost 13.55 to 2,127.8 in low overall turnover of NZ$23.5m.

BOMBAY continued to be weak although sentiment was helped after the stock exchange authorities denied newspaper reports that brokers would halt trading today in protest over a new tax on transactions.

The BSE index lost 14.08 to 3,739.

KARACHI rebounded from Wednesday's fall with a rise in the KSE index of 27.08 or 1.15 per cent to 2,388.88.

Mexico weakens on disappointing results

Mexico

Mexican equities were weaker following a number of disappointing first quarter results which were released after the close of trading on Wednesday.

The IPC index was off 26.14, or 1.1 per cent at 2,306.64 by midday.

Televisa, the media group, was one of the heaviest decliners, down 3.5 per cent after reporting a first quarter loss of 24.5m pesos against a profit of 111m pesos in the same period last year.

Traders said that the one result that was supporting the market was Telmex, whose earnings were down but not drastically.

Telmex reported a 14.4 per cent decline in net profits to 1.85bn pesos from 2.16bn pesos, with sales increasing and operating income also gaining. The telephone company blamed its net profit fall on a 718.8m peso loss on foreign exchanges. Telmex L shares, available to foreign investors, were off 0.8 per cent at 9.68 pesos.

First quarter losses were also reported by Aeromexico and Mexicana. Aeromexico reported a first quarter net loss of 305.7m pesos against a loss of 21.9m pesos in the same period in 1993.

Venezuela

Equities on the Caracas stock exchange continued their downward move following the resignation of the president of the central bank on Wednesday.

In early trading the Merinvest index was down a further 1.4 per cent at 107.46, with Electricidad de Caracas dropping 10.05 bolivars to 330 bolivars.

The only major issue to resist the fall was Corimon, the industrial holding group, which is also quoted on Wall Street. Its shares were up 2 bolivars at 50 bolivars.

The Merinvest index fell 4.3 per cent on Wednesday.

Brokers said that concerns over possible exchange rate controls following the departure of the central bank president remained the main worry for investors.

● The government announced yesterday that it is planning to open up its oil sector, including an offer of up to 10 per cent of oil company shares to employees as well as a widening of the scope for local and foreign investment.

Brazil

São Paulo was nearly 4 per cent higher at midsession, as investors were encouraged by expectations that the government's economic initiative would meet support from Congress.

The Bovespa index stood at 16,640 in turnover of $115m by midday.

Brokers noted that there had been considerable selling activity early in the session, but that foreign investors were notable by their absence.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Ltd., Goldman, Sachs & Co. and NatWest Securities Ltd. in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	WEDNESDAY APRIL 27 1994								TUESDAY APRIL 26 1994					DOLLAR INDEX		
Figures in parentheses show number of lines of stock	US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	52 week High	52 week Low	Year ago (approx)
Australia (69)	167.69	-0.9	165.02	108.81	145.82	155.57	-0.5	3.53	169.27	167.14	110.13	147.86	156.38	189.15	130.19	143.29
Austria (17)	176.04	0.9	173.23	114.22	153.08	152.92	0.4	1.02	174.51	172.31	113.58	152.42	152.33	195.41	139.63	143.41
Belgium (42)	171.42	1.4	168.69	111.23	149.06	145.59	0.9	3.75	169.06	166.93	109.99	147.67	144.29	171.89	141.92	150.59
Canada (106)	131.28	0.8	129.19	85.18	114.16	130.75	0.7	2.58	130.29	128.65	84.77	113.80	129.87	145.31	121.46	124.61
Denmark (32)	260.15	1.8	256.01	168.80	226.22	232.66	1.3	1.03	255.67	252.45	166.34	223.31	229.73	275.79	207.58	214.97
Finland (22)	150.82	1.6	148.42	97.86	131.15	171.93	1.2	0.87	148.46	146.59	96.59	129.67	169.89	156.72	85.54	95.93
France (98)	173.46	1.1	170.70	112.55	150.84	156.30	0.7	2.84	171.51	169.35	111.58	149.80	155.17	185.37	149.80	161.71
Germany (58)	144.22	0.8	141.92	93.58	125.41	125.41	0.3	1.64	143.12	141.32	93.12	125.01	125.01	144.22	107.59	115.14
Hong Kong (56)	373.13	-2.2	367.20	242.11	324.48	370.10	-2.2	2.87	381.64	376.84	248.30	333.35	378.54	506.56	271.42	274.79
Ireland (14)	191.45	0.5	188.40	124.22	166.48	184.66	0.2	3.26	190.45	188.05	123.91	166.35	184.27	209.33	155.98	164.37
Italy (60)	94.60	-0.9	93.10	61.38	82.27	113.64	-1.1	1.53	95.50	94.30	62.13	83.42	114.87	95.50	57.88	70.43
Japan (469)	155.89	0.5	153.41	101.15	135.56	101.15	0.2	0.80	155.10	153.15	100.91	135.47	100.91	165.91	124.54	141.27
Malaysia (98)	489.84	-0.7	482.05	317.84	425.97	508.04	-0.7	1.34	493.42	487.21	321.02	430.98	511.85	621.63	312.05	312.61
Mexico (18)	2008.04	5.4	1976.09	1302.94	1746.17	7223.16	3.8	0.70	1905.38	1881.37	1239.64	1664.22	6956.02	2647.08	1431.17	1667.31
Netherland (26)	205.18	0.5	201.92	133.14	178.43	176.01	0.0	3.19	204.09	201.52	132.79	178.27	175.93	207.43	169.30	169.77
New Zealand (14)	67.56	0.7	66.48	43.84	58.75	62.52	0.7	3.80	67.12	66.27	43.67	58.62	62.07	77.59	46.43	48.52
Norway (23)	195.92	0.2	192.80	127.12	170.37	193.09	-0.4	1.72	195.58	193.12	127.24	170.83	193.79	206.42	150.61	161.09
Singapore (44)	343.75	-1.2	338.28	223.05	298.93	246.45	-1.2	1.59	348.10	343.72	226.48	304.05	249.52	378.92	238.82	241.26
South Africa (59)	262.92	0.0	258.74	170.60	228.63	269.81	0.0	2.28	262.82	259.61	171.06	229.65	269.81	290.26	175.93	162.53
Spain (42)	143.62	1.3	141.34	93.19	124.89	148.72	0.9	4.01	141.80	140.01	92.25	123.85	147.44	155.79	116.33	131.33
Sweden (36)	218.24	1.4	214.77	141.61	189.79	251.81	0.8	1.59	215.13	212.42	139.97	187.91	249.93	230.02	163.85	170.92
Switzerland (48)	160.59	0.9	158.03	104.20	139.64	142.00	0.4	1.67	159.12	157.11	103.52	138.98	141.49	176.56	119.83	120.00
United Kingdom (205)	194.90	1.1	191.80	126.47	169.49	191.80	0.7	3.86	192.82	190.39	125.45	168.42	190.39	214.96	170.32	181.23
USA (519)	184.15	0.0	181.22	119.49	160.13	184.15	0.0	2.69	184.15	181.83	119.81	160.84	184.15	196.04	178.72	178.72
EUROPE (723)	171.41	0.9	168.69	111.22	149.06	161.66	0.5	2.86	169.88	167.75	110.53	148.39	160.86	178.56	141.58	147.99
Nordic (113)	210.45	1.4	207.11	136.56	183.01	211.97	0.9	1.36	207.45	204.84	134.97	181.19	210.17	220.60	155.62	162.89
Pacific Basin (750)	164.32	0.2	161.71	106.62	142.89	111.35	0.0	1.06	163.97	161.90	106.68	143.22	111.35	169.80	134.79	145.27
Euro-Pacific (1473)	167.12	0.5	164.46	108.44	145.32	130.94	0.2	1.84	166.28	164.18	108.18	145.23	130.86	170.78	141.98	146.26
North America (625)	180.86	0.0	177.99	117.36	157.28	180.45	0.0	2.88	180.80	178.53	117.63	157.92	180.39	192.73	175.36	175.38
Europe Ex. UK (518)	154.83	0.8	152.36	100.46	134.64	142.71	0.3	2.26	153.62	151.68	99.95	134.16	142.22	155.73	122.37	127.53
Pacific Ex. Japan (281)	247.07	-1.4	243.14	160.31	214.85	225.68	-1.2	2.84	250.48	247.33	162.96	218.78	228.53	296.21	181.46	184.75
World Ex. US (1656)	168.17	0.6	165.49	109.12	146.24	134.12	0.3	1.85	167.23	165.13	108.80	146.07	133.77	172.51	142.94	146.76
World Ex. UK (1970)	170.29	0.3	167.58	110.50	148.09	145.73	0.1	2.04	169.81	167.67	110.48	148.32	145.58	175.58	159.22	154.12
World Ex. So. Af. (2116)	171.93	0.4	169.19	111.56	149.51	148.93	0.2	2.22	171.30	169.14	111.45	149.62	148.67	176.56	155.00	156.43
World Ex. Japan (1706)	183.28	0.3	180.37	118.93	159.38	178.30	0.1	2.82	182.74	180.43	118.89	159.61	178.05	195.20	165.70	166.35
The World Index (2175)	172.47	0.4	169.72	111.91	149.98	149.65	0.2	2.22	171.85	169.68	111.80	150.10	149.59	176.97	155.17	156.50

Constituent change with effect 6/5/94: Addition: Tele Danmark (Denmark). Latest prices were unavailable for this edition. Markets Closed 27/4/94: South Africa & USA.

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Jobs: Tapping management potential in the armed forces is an option for change in the business world

Officers on the march into new careers

Do officers leaving the armed forces make good managers? About 3,500 came onto the UK jobs market last year and while this week's Defence White Paper does not specify further cuts in personnel, the rate of retirements is unlikely to tail off for some time.

Not so long ago a commission in the forces was considered a good stepping stone into a management career. But is the right stuff for the forces necessarily right for today's businesses, when so many organisations are undergoing radical changes in the way they run their workforces?

Officers who have taken the leap to civvy street under Options for Change, the defence manpower reduction programme, say the transition is far from easy and suggest the best way to succeed is to find some qualification to give a competitive edge in job applications. Once the change is made, however, the surprise for many has been how similar the role of management has been out of uniform. Often the differences have been cultural.

Colin Gordon, a former major in the Gloucestershire regiment, resigned his commission two years ago to take a one-year Master of Business Administration course at Cranfield School of Management.

Even though he had passed through Staff College, the army fast track to higher rank, his ambition to command a battalion on the way to gaining the coveted pips of a brigadier had been effectively thwarted by plans to merge the Gloucesters with the Duke of Edinburgh's Royal Regiment. He said: "I was told quite candidly there wasn't going to be a battalion to command."

At 40 he could have ambled on in the services as a lieutenant colonel but decided to choose his own ground for leaving. "I didn't want to be cannon fodder for someone else's redundancy plans," he said.

The services have a system of resettlement training running over two years from the time that servicemen and women opt to leave. It offers a wide range of courses and briefings, running from a half day to 28 days. Some of these are company placements.

Gordon spent a month with Mercedes Benz while continuing to draw his army salary. As a fluent German speaker, he was able to help the company with translation work as it established a new contract and hire operation. "At the same time I learned a great deal about how a large organisation functions."

None of this, however, prepared him for the MBA, which he said was demanding and expensive but worth the outlay. "Getting a job is bloody tough and something that you have to retrain for. If you have the time you should take a course that is well regarded and that will differentiate you from everyone else coming out of the forces," he says.

Today he is working on a short-term contract, heading the restructuring of BIAS, part of the P and G Bland Group of commercial insurance brokers in Leicester. This is one more step, he says, in compiling a commercial track record. The next stage is to find a job that demands a combination of his latest experience, language abilities, MBA qualification and the command experience gained in the services.

Grasping modern management-speak, says Gordon, has not been difficult. "Human resources management has familiar ideas using different terminology. It is another sort of jargon and once you know the language you find you have been doing these things for umpteen years," he said.

The message should not be lost on Mike Bett, the former deputy chairman of BT, who is less than a month into heading a review that aims to make armed service structures and terms and conditions "appropriate to the needs of the 21st century". It is focusing on the relationship between responsibility, rank, trade and pay, including the concept of performance pay.

Bett has hinted at what might be in store. In an interview with Personnel Plus Magazine, he said: "If civilian organisations are developing flatter structures with fewer layers, perhaps we should be asking whether the same should be happening in the forces."

The comment might find some sympathy in the German army. Gordon said that when he served for a time as executive assistant to the German chief of staff in Nato's Northern Army Group in Europe, a German major-general had confessed to being staggered at the number of generals in the British army.

"I would think there would be scope to cut at the top, but they should not meddle around with the lower ranks," said Gordon. The 30-man structure of the platoon had proved to be an ideal team size in military and civilian structures.

Bett could find many of the new practices envisaged by the review akin to reinventing the wheel. The armed forces, whether in the UK or elsewhere, have been the source of many management techniques used in business today.

Psychometric testing was a product of the US armed forces going back to the second world war. Assessment centres, administering a series of tests and interviews, which are becoming increasingly popular for employee selection among large companies, have been used to choose commissioned officers for years.

One of the difficulties facing officers leaving the forces is that their service role is not well understood in business. Stereotyped images in film and television have not helped. This lack of perception, even, perhaps, fear of the officer class among civilian managers, has not helped. Even the most able officers have sometimes found difficulty finding work.

Sir Jeremy Moore, who commanded the British land forces in the Falklands war, spent 18 months looking for work after leaving service life in March 1983. Today he is a defence consultant.

Brigadier Neville White, who left the Army in 1987 with considerable management but no commercial experience, said that he sent his CV to 60 companies and public organisations, with three showing interest. He was offered the job of managing the external affairs at Slough Estates, the property company, and now combines the role with managing administration. He said: "I was able to transfer all my communications skills, but if I had entered as a marketing manager or gone into the professional property area I would not have made it to first base."

Like Gordon, he encountered management systems that had been developed first in the forces but noticed that, applied commercially, many had increased in sophistication. "I found we no longer had an edge," he said

One of the biggest differences between the military and commercial sectors, suggests White, is that military life is 95 per cent training and 5 per cent "for real".

"One has to remember that in the forces you are training for one fundamental basic thing, which is killing the enemy. You are training for war."

It may be that preparedness for the sort of wars the British fought in the Falklands or in the Gulf is becoming less of a priority. The evolving peacekeeping role of mixed forces not yet fully defined by the UN and Nato in Bosnia may emerge as the most consistent military function of developed nations in the future. In that case the structure of the services could well change.

Whatever happens, there is no denying that the military still provides some of the most effective training to be found in the UK and that its people are a valuable potential resource for the corporate sector. At present some 80 per cent of those who leave have jobs within three months of leaving and 55 per cent have jobs the day they leave.

Colin Gordon found his post through the Officers' Association, a charity which helps officers find civilian careers. Tel 071 930 0125.

The services employment network provides a job-matching service. It has the names of 8,500 service personnel on its data base. Tel 071 632 4444.

Richard Donkin

TOP OPPORTUNITIES

SENIOR POSITIONS IN GENERAL MANAGEMENT

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Department of Social Security

Price Waterhouse
EXECUTIVE SEARCH & SELECTION

Pensions Ombudsman

London

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The appointment, which becomes vacant on 1 September, will be on a 5 year fixed term contract with the possibility of renewal at the end of that term. Salary is up to £64,283, with the possibility of an additional bonus conditional on meeting specified targets. The salary may be negotiable for a particularly well qualified candidate. The appointment is pensionable and relocation assistance may be available. The Department of Social Security is an equal opportunity employer.

For an *information pack please telephone 071 939 6310 (during* office hours) and quote reference A/1448/FT. Alternatively, if you would like to telephone to discuss the position in confidence call Alannah Hunt on 071 939 6068. Closing date for the receipt of written applications is 18 May 1994.

Executive Search & Selection,
Price Waterhouse, Milton Gate,
1 Moor Lane, London EC2Y 9PB

The Unisource group a new, fast growing, pan-European telecommunications services organisation is looking for a **Human Resource Director** at group level. The company currently employs 1,200 people and is expected to rapidly expand to 5,000 - 10,000 people.

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Please send your letter of application with your curriculum vitae to: Mr R. Schulting, P.O. Box 30000, 2500 GA The Hague, The Netherlands.

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Telephone: 071-388 2051. Fax: 071-387 5324.

CHURCH COMMISSIONERS FOR ENGLAND

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Personnel Department
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FINANCIAL EDITOR

London

Morgan Stanley now seeks an Editor for equity research and related publications. You must have impeccable English language skills, an excellent sense of organisation and logic, and superior proof-reading talent. Financial knowledge, computer skills and proven ability to work to tight deadlines are also essential. Japanese language skills, although not a pre-requisite, would be desirable.

Send resumé in confidence to: Jenny Thomas, Human Resources, Morgan Stanley UK Group, 25 Cabot Square, Canary Wharf, London E14 4QA.

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This assignment is being handled exclusively by Hilary Broad, LLB.(Hons) and all enquiries should be made to her at Reuter Simkin Ltd, Recruitment Consultants, *5 Bream's Buildings*, Chancery Lane, London EC4A 1DY. Tel: 071 405 4161 (Fax 071 430 1140) Evenings Tel: 071 228 5848.

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THE SECURITIES AND FUTURES AUTHORITY

REGULATORY PROFESSIONALS

£25 - £35K

SFA plays a pro-active role in regulation of the City. Its 1300 Member Firms cover all of the most important primary and secondary markets in the UK, including securities, futures and options, commodities, OTC products and corporate finance. SFA's membership spans the whole spectrum of Firms from the largest multi-product houses to one-man corporate finance boutiques.

SFA is looking to recruit a number of professionals to the following areas within its Surveillance Division: Risk Models, Inspection and Transaction Monitoring.

RISK ANALYSTS

focus on the highly technical aspects of market risk and credit risk associated with derivatives portfolios and, more generally, sources of risk which could impact the stability of the financial system. Applicants must have a minimum of a 2:1 degree in Mathematics or a heavily maths biased discipline, may be a recent graduate or PhD not wishing to pursue academia, an individual currently working in a trading or risk management environment looking to widen their experience, or an individual with an exceptional mathematical background seeking a career change. Previous applicants may re-apply. (Ref RA1).

SURVEILLANCE INSPECTORS

ensure that member firms comply with SFA rules by undertaking inspection visits, reviewing periodic financial returns, assisting with disciplinary investigations and advising on compliance issues. Applicants should have a good understanding of a broad range of financial instruments and a familiarity with techniques for evaluating and controlling market risk and credit risk. Individuals are likely to have direct relevant industry experience, perhaps gained within a large investment house and will be required to display a maturity of approach which is consistent with the importance of the role. (Ref SI2).

TRANSACTION MONITORING ANALYSTS

provide SFA with information derived from the transaction database and other sources which identify any incidents, specific trading patterns or individual transactions which warrant further investigation. Applications are invited from computer literate individuals with a good knowledge of the securities industry who have a genuine desire to pursue suspected trading irregularities. (Ref TMU3).

For all positions, in addition to your professional skills, you must have sound judgement, an enquiring mind and well developed communication skills.

If you recognise the value of financial services regulation and feel you have a contribution to make, then we would like to hear from you.

Successful candidates will receive a salary based upon the relevance of their previous experience, and will be eligible for a range of benefits including non-contributory pension scheme, free season ticket, PPP and subsidised sports club membership. Additionally, SFA offers an extensive training programme specifically designed to enable staff to increase their knowledge and enhance their technical and personal skills.

To apply, please write with full career details to: Veronica Sherry, Recruitment and Employment Manager, The Securities and Futures Authority Limited, Cottons Centre, Cottons Lane, London SE1 2QB. Please state clearly your salary expectation and which position you are applying for by quoting the reference. Closing date for applications: Friday 13th May 1994.

Merrill Lynch

SWAPS ANALYSIS AND CONTROL

CITY — £ EXCELLENT

Merrill Lynch is a blue chip investment bank with an established and significant presence in all the world's major markets. In particular, their global capability and experience in derivative products extends to 26 currencies in 8 major financial centres around the world. The continued growth in the volume and complexity of these instruments has given rise to the opportunity for two high-calibre individuals to join the Product Control team within the Non $ Swap and Options Business.

These roles involve a high degree of exposure to the derivative products prevalent in today's markets. You will be responsible for the analysis and control of these instruments through all aspects of supporting a major capital markets business; including risk analysis, profit and loss reporting, and operational control. The successful candidates will be involved in the development and enhancement of the systems required to manage such an operation. Extensive liaison with traders is an integral part of performing this role successfully, as you will be creating innovative solutions to business issues as they arise. Effectively, you will be performing the role of a Product Manager for a portfolio of currencies.

Applications are invited from graduates aged in their mid to late twenties. You should possess a minimum of 1-3 years experience of derivative products gained within a major financial institution. In addition, an MBA or accountancy qualification is desirable. You should be able to demonstrate the technical expertise and communication skills required to excel in a complex, pressurised environment.

Interested applicants who have the aptitude, creativity and energy to succeed in these demanding and rewarding roles, should contact David Twiddle on 071-379 3333 (fax 071-915 8714) or alternatively write to him, enclosing a CV, at Robert Walters Associates, 25 Bedford Street, London WC2E 9HP.

ROBERT WALTERS ASSOCIATES

NEWCHURCH & COMPANY

CONSULTING & RESEARCH ANALYSTS

(Salary: £16,000 - £25,000)

Newchurch & Company is a firm of business advisers offering practical advice and assistance to developing organisations. We work primarily with senior managers affected by the radical changes taking place in the public sector, from the NHS, to local and central government and private companies. We are growing rapidly and currently require additional staff to assist and work with our consulting team.

The positions involve working on Client assignments, undertaking significant data collection, analysis and interpretation. A high level of personal initiative is essential, as is the ability to present and communicate effectively. Experience of working in a professional services environment is required, as are literacy and good computing skills. A post-graduate qualification and/or modelling skills would be useful for one of the positions.

Interviews: 20th and 23rd May. Applications, with a full c.v. and daytime contact number, by 12th May to:
Ian Wootton, Newchurch & Company Limited,
12 Charterhouse Square, London EC1M 6AX.

Unique Opportunity in UK Equity Sales

Competitive package · Edinburgh

NatWest Markets is the worldwide corporate and investment banking arm of the National Westminster Bank Group. Our trading and sales businesses include Equities, Capital Markets and Treasury.

We are able to offer a unique opportunity to join our successful Edinburgh based sales team selling UK Equities primarily to Scottish based institutions. Experience of the UK Equity market is required.

We are looking for a good team player, strongly self-motivated, numerate and articulate with a successful track record.

Please apply in confidence, enclosing your CV, to: Diane Gall, NatWest Markets, 135 Bishopsgate, London EC2M 3UR.

NatWest Markets

Corporate & Investment Banking

International Equity Analyst

London or Boston

Putnam, one of America's oldest and largest investment firms with over $90 billion under management, currently seeks a European Investment Analyst with a proven ability to analyse and appraise the worth of companies.

As a key member of our expanding International Equities Investment team, this individual will be responsible for providing a variety of UK and European stock recommendations, as well as assuming an active role in our global asset allocation process. The ideal candidate will possess 3-5 years' equity analysis experience, coupled with solid accounting abilities. Individuals with related experience outside brokerage or investment management will be considered. Bi/multi-lingual language skills would be an asset.

This is an important position, and we will provide a competitive salary, bonus and benefits package. To apply, forward your C.V. to Mark Pollard, Putnam International Advisory Co., Ltd., Pollen House, 10-12 Cork Street, London, England. W1X-1PB.

A TIME-HONORED TRADITION IN MONEY MANAGEMENT

PUTNAM INVESTMENTS

BOSTON · LONDON · TOKYO

SYNDICATED LOAN SPECIALIST

Citibank is one of the world's leading financial institutions, providing *high quality financial products and services to corporate, institutional* and individual customers globally.

We have held a leading position in Syndicated Lending/Debt Arrangement for several years. Due to further development in Loan Trading, Par and Distressed, we are seeking a Syndicated Loan Specialist.

Ideal candidates will have extensive credit experience including loan documentation, risk analysis and receivership/restructuring.

In addition, experience in handling fixed income securities would be advantageous.

A highly competitive remuneration package is offered, together with *excellent career prospects.*

To apply, please send your full CV and a covering letter to Vivien Leach, Vice President Human Resources, Citibank N.A., P.O. Box 78, 336 Strand, London WC2R 1HB.

CITIBANK

We are an equal opportunities employer

AN ARAB BANK IS IN NEED OF A MANAGER FOR ONE OF ITS BRANCHES IN BEIRUT

QUALIFICATIONS

1. University Degree.
2. Perfect command of English Language (spoken/written).
3. Not less than 15 years banking experience provided that he has occupied the position of branch manager for a minimum period of five years.

- Curriculum Vitae (C.V.) should be sent within two weeks enclosing a copy of graduation, experience and training degrees with a recent Personal Photo to:

Personnel Department
P.O. Box 60 Magles Al Shaab
(11516) Cairo
Arab Republic of Egypt

Investor Relations Executive

London-based investor relations firm is seeking to add an experienced executive to serve its growing client base.

Requirements:

- University degree
- UK citizenship or approved work permit status
- *Prior work experience in related fields including financial* analysis, fund management and investment research with client responsibility
- Excellent communications skills, including report writing
- Demonstrated marketing skills
- Willingness to travel and to work long hours, when required, sometimes under stress
- Flexibility to deal with unexpected problems and requirements
- *Confidence in dealing with senior officers of major corporations*

Conversational knowledge of German and French helpful, but not essential.

Proficiency in word processing and spread sheets highly desirable.

Salary negotiable, depending on experience.

This firm operates a no smoking policy.

Write to: Box B2010, Financial Times, One Southwark Bridge, London SE1 9HL

O'Neill Associates

RECRUITMENT CONSULTANT - HONG KONG

O'Neill Associates is a recently established Hong Kong-based recruitment consultancy, specialising in the financial derivatives industry in the Asia-Pacific region. We are a strongly client-focused firm, and now seek another professional to join us as our business expands.

You will ideally have a minimum of 5 years experience in recruitment, preferably gained in the financial services arena. *Part of your experience may have been gained by working in the financial markets yourself.* Your communication skills will be excellent, and you will be actively involved in developing relationships, both with our existing client base, and with new clients throughout this diverse region. Probably qualified to tertiary level, your professionalism will earn you the trust of clients and candidates alike, in keeping with the sensitive nature of the business.

This is an exciting opportunity to join an expanding business in the world's fastest-growing economic region. Please apply in confidence by phone to Harry O'Neill on (852) 536-0100, or in writing either by fax to (852) 537-1011 or the address below.

O'Neill Associates Limited
Suite 1513, Prince's Building, 10 Chater Road, Central, Hong Kong
Telephone: (852) 536 0100 Fax: (852) 537 1011

DATA PROCESSING PROFESSIONALS
OPPORTUNITIES IN RIYADH, SAUDI ARABIA

The Saudi Investment Bank, an affiliate of The Chase Manhattan Bank N.A., J. Henry Schroder Wagg and Co. Ltd and the industrial Bank of Japan is seeking Data Processing Professionals. The Bank runs MIDAS ABS on an AS/400 and Logica's ATM and POS software on a System 88. We have a Token Ring LAN/WAN, IBM Lan manager, OS/2 and Windows. We are a full service commercial bank with ten branches. Automated Teller Machines and Point of Sale terminals. We support Treasury, Corporate, Private Banking and Brokerage Departments. We are a "Quality Bank" and we require Quality people.

- **DATA PROCESSING MANAGER**
  A Data Processing Manager is required to coordinate the activities of the Department. The incumbent will help set strategic direction and have direct line responsibility for managing and developing a group of fifteen programmers, operators and LAN/WAN technicians. Candidates should have solid experience with MIDAS and/or the AS/400, hands-on experience programming applications interfacing with the system and knowledge of Lan/Wan topologies. Emphasis will be on developing enhancements and new functions. The incumbent will develop programming standards, assist in the selection and installation of related packages and implement a contingency plan/off-site back up.
- **SENIOR PROGRAMMER ANALYST**
  A Senior Programmer Analyst is also required to develop software. Most of the applications will be new and will interface with the MIDAS database. We require an individual who has worked with MIDAS for four or more years as an AS/400, RPG 400 or System 38, RPG III programmer. Candidates should have four or more years experience with RPG III and RPG 400. Experience with teller services, SWIFT, ATM or POS interfaces would be helpful as would experience with Accounting MIS.

We offer challenging opportunities in a progressive and comfortable working environment at our Head Office and a competitive, tax-free salary and benefits package to motivated professionals with good interpersonal skills. To apply for these positions and to find out more of what the Kingdom of Saudi Arabia can offer, please send your resume to:

Human Resources Department,
The Saudi Investment Bank, PO Box 3533, Riyadh 11481, Saudi Arabia Fax: 966 1 477 6781

Economist
Japanese Capital Markets

An innovative thinker to develop radical solutions in the Asia Pacific region

Tokyo

Swiss Bank Corporation is one of the world's leading international banks; a global player with a prominent position in the Asia Pacific region.

We are seeking an Economist with expertise in areas such as Yen-based interest-rate products and derivatives to work closely with traders and clients in the development of radical marketing initiatives. This is a rare opportunity for a visionary with the capacity to interpret market developments and formulate investment strategy, the confidence to present them at high corporate level, and the courage to stand by their mould-breaking ideas.

Ideally Japanese-speaking, you will be given considerable creative freedom and expected to undertake extensive travel to corporate clients and Swiss Bank offices throughout the Asia Pacific region. The outstanding rewards package on offer leaves no doubt that we are looking for an individual of singular talent. If we could be describing you, now is the time to seize the initiative.

Please write to Lynn Temple, Human Resources, Swiss Bank Corporation, Swiss Bank House, 1 High Timber Street, London EC4V 2SB.

Swiss Bank Corporation

INVESTMENT ANALYST
c£26K + Benefits

City Assurance group. Mid-late 20s. 2 yrs experience Equities, Research, Purchase recommendations. Develop to Fund Manager.

ANGEL INTERNATIONAL RECRUITMENT
58 Fleet St, EC4Y 1BE. Est. 1965
Tel: 071 583 1661 Bob Nash

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Experienced Government Bond Broker required to join successful team based in City. Remuneration highly negotiable.
Reply in confidence direct to Fax: 071-253 0518
or write to: Box A2014, Financial Times, One Southwark Bridge, London SE1 9HL

LLOYD'S
LLOYD'S OF LONDON

General Manager
Central Services Unit

"Much remains to be done if we are to achieve by the end of 1995 the radical reform of Lloyd's set out in the business plan. I believe that the achievements of 1993 have created a sound base for us to realise our ambition to restore Lloyd's to the position of being highly efficient, innovative and, above all, profitable."

In Lloyd's annual report, that is how Peter Middleton, our Chief Executive, ended his review of progress against our 1993 business plan.

The plan recognises the problems of the past, faces up to them and puts in place remediable measures. It sets out a radical programme to restore Lloyd's to its position as the world's most consistently profitable underwriting market. It is not a consultative document, it is a programme for action.

A core achievement last year was the establishment of the Central Services Unit to provide shared administrative functions to all members agents. We are now looking for someone to join this management team and to run a key sector of the unit.

The CSU is developing and implementing a range of administrative procedures covering the processing of interest payments, prompt release of monies due, consolidated taxation summaries, clearing facilities, transfer of funds between syndicates and our central run off agency. Backed by a high standard of IT, it will also provide management and regulatory information, support to members and assistance to new capital providers. You can see why it is a key feature and thus the General Manager that we seek will need to be a very special person indeed.

You will have worked in the financial services industry and already have experience of operational banking procedures, and the processing of financial transactions. You need to know about customer requirements such as those in private banking or stock broking. Naturally, you will have substantial knowledge of how to get the best out of developing and using sophisticated business systems.

Probably in your late 30's or early 40's, you will possess energy and drive to quite extraordinary levels. You will have a demonstrably persistent, persuasive yet diplomatic personality that will enable you to confront issues, identify solutions and then get them in place quickly. As the Unit is already at a headcount of 50+ you need to be skilled at managing staff of all levels.

The rewards will be commensurate with the responsibility and the seniority of the position, and negotiable – the right man or woman will know their value and we will respect that. It goes without saying that there are excellent career advancement and job satisfaction opportunities in this critical and high-profile position.

Please send a copy of your resume to Philip Johnson at our retained consultants Moxon Dolphin Kerby, 178-202 Great Portland Street, London W1N 6JJ, quoting reference number 6250.

MOXON·DOLPHIN·KERBY
EXECUTIVE SEARCH & SELECTION

Economist
£25,000 + Benefits

HALIFAX is the world's No. 1 building society, a position we've earned by being amongst the first to anticipate and respond to market changes. Our continuing success in exploiting new opportunities depends on our employing high calibre professionals.

BASED in Halifax, you will be working as part of a small team of economists who are responsible for providing a full economic advice and forecasting service to the Halifax Group. You will report direct to the Chief Economist and will also have individual responsibility for the regional forecasting service.

IN addition to a relevant Master's degree, the ideal candidate will have a minimum of 3-4 years' experience as an economist, preferably in the financial services sector.

YOUR experience should include some of the following: econometric forecasting, extensive knowledge of data sources, macro-economic model building, use of large scale models and related software.

THE attractive benefits package for this position includes a competitive salary together with a concessionary mortgage, private health insurance and contributory pension scheme. A relocation package will be available, where appropriate.

To apply, please send your full CV with details of current salary to: Assistant General Manager, Group Personnel (Ref HOP/EC), Halifax Building Society, Trinity Road, Halifax, West Yorkshire HX1 2RG.

HALIFAX is fully committed to equal opportunities for all.

HALIFAX

071-377 6488

UK Smaller Companies Analyst	£Neg

Several Top Houses seek outstanding analysts with expert knowledge in this sector. Contact Stephen Donnellan on 071-247 1675.

Fixed Income Sales	To £100K

Top Investment Banks based in the City seek experienced individuals with established client bases in any of the following countries: GERMANY, SWITZERLAND and U.K. Please call Mark O'Connor for further details.

Liffe Floor Trading	£Neg

Our clients, International Banks, require an experienced candidate for the above. The use of European Instruments will be an advantage. Please call Mark O'Connor.

SWAPS Derivatives	£Neg

Various top names in the City seek experienced individuals for TRADING and/or MARKETING the above. Please call Andrew Stone.

Foreign Exchange	£Neg

Opportunities for both FX Corporate Dealers and Spot/Forward/Option traders within this major European institution. Ideally 3-5 years' experience required. Please call Marie Palliser.

Japanese Equity Sales	£Neg

Leading Investment House seek an individual with 25 years' experience selling Japanese equities to institutions. Please call Nick Michael.

Broking	£Neg

A number of Broking Houses and subsidiaries of large International Banks require individuals with a minimum of 18 months experience. Preference will be given to candidates with involvement in derivatives (fixed income) and the Repo markets. An established client base with languages (particularly Italian or French) is essential. Please call Mark O'Connor.

Asian Equity Sales	£Neg

Major Investment Bank requires a salesperson with experience to sell South-East Asian equities. Please call Nick Michael.

Others

Please call us if you have any experience in any of the following: FUTURES SALES; ORIGINATIONS; NEW ISSUES/SYNDICATE; OATs TRADING; F.FR TRADING; PROPRIETARY TRADING; US TREASURY SALES/TRADING; MTNs; EUROBOND TRADING (RETAIL); EMERGING MARKETS (SALES/TRADING); REPO SALES/TRADING.

For further details please call on 071-377 6488 or send/fax your CV to us.
All applications are treated in the strictest confidence.
For enquiries outside business hours call 081-364 1833.

CAMBRIDGE APPOINTMENTS
232 Shoreditch High Street, London E1 6PJ. Fax no. 071-377 0887

Compliance Officer
Manchester Based

Henry Cooke Group plc is one of the UK's leading independent securities houses, undertaking both private and institutional stockbroking as well as corporate finance and investment management activities.

The compliance team functions as a source of advice and expertise on regulatory matters and adopts a pro-active approach on day-to-day procedural aspects of the business. We now wish to recruit a compliance officer who will report to the main board director responsible for compliance.

Although concentrating mainly on our private client stockbroking activities, the successful applicant will be responsible for ensuring that each of our various businesses is conducted in accordance with the rules of the applicable regulator.

Ideal candidates will have a good degree, perhaps complemented by a legal or accountancy qualification, supported by in-depth knowledge of current regulatory requirements. Good written and verbal presentation skills are essential. The position is at a senior level and experience of the workings of a private client securities business would obviously be an advantage.

A competitive package will be offered and there will be considerable career development prospects.

Please send your application to Edward Geraghty at One King Street, Manchester, M2 6AW.

HENRY COOKE, LUMSDEN plc
A MEMBER OF THE LONDON STOCK EXCHANGE AND THE SECURITIES AND FUTURES AUTHORITY

AEA
MANAGEMENT CONSULTANT

AEA is a small consultancy with an excellent reputation and client list, specialising in strategic planning for arts and other non-profit sector organisations. The growth of our business means that we are looking for a new senior consultant to advise clients on business planning, particularly of capital projects.

The successful candidate is likely to have an MBA or accountancy qualification, first rate analytical and communication skills and five years experience in consultancy or line management.

Remuneration dependent upon qualifications.

Write for details to:

Adrian Ellis
AEA
48 Poland Street
London W1V 3DF

AEA is an equal opportunities employer.

National Bank of Bahrain
بنك البحرين الوطني

FX - DERIVATIVES TRADER

Candidates should be young, numerate, active traders between 25-32 years of age with 3-5 years experience in an International Dealing Room.

A graduate degree with sound knowledge of and solid experience in FX derivatives, such as options and futures, and workings of exchanges are key job requirements.

Salary, benefits and performance incentives are attractive with excellent career prospects.

Please apply to:

The Senior Manager
Personnel & Training Administration
National Bank of Bahrain
P.O. Box 106
Manama
BAHRAIN

NBB/99/1326/FT

Salomon Brothers

JAPANESE EQUITY WARRANT SALES

Salomon Brothers, one of the world's leading investment houses, is seeking two highly motivated individuals to strengthen its existing Japanese Equity Warrants Sales team.

The first position requires an experienced professional with at least two years' relevant industry experience. The successful candidate will be able to demonstrate good knowledge of the Japanese equity market. Proven analytical skills and experience, as well as a successful track record in equity sales, are essential requirements of the job.

The ideal candidate for the junior sales position will be educated to degree level, ideally with a finance/economics bias, and must be able to show well-developed interpersonal and analytical skills. In addition he/she should be computer literate.

In both positions, Japanese or European language skills would be advantageous although not essential.

We offer an excellent financial package including the full range of benefits normally offered by a leading financial institution. Applications should, in the first instance, be sent to:

Campbell Johnston, Recruitment Advertising Limited, 2 London Wall Buildings, London Wall, London EC2M 5PP.

INVESTORS CHRONICLE
COMPANIES WRITER

We require an investment analyst/financial journalist. The job is an interesting and responsible one, analysing the performance of major quoted companies and giving an informed comment on the shares. Each companies writer has his/her own sectors but is expected to work as a member of the team.
Candidates need to be able to interpret a company's financial performance, assess its likely effect on the share price, and put this into clear, concise and entertaining language while meeting demanding deadlines.

Please send applications with CVs to:
The Editor, Investors Chronicle
Greystoke Place, Fetter Lane
London EC4A 1ND

FT/LES ECHOS

The FT can help you reach additional business readers in France. Our link with the French business newspaper, Les Echos, gives you a unique recruitment advertising opportunity to capitalise on the FT's European readership and to further target the French business world. For information on rates and further details please telephone:

Philip Wrigley on
071 873 3351

هكذا من الأصل

PROPERTY DIRECTOR

New Strategic Position for International Joint Venture

HUNGARY

Executive Salary plus Stock Options

This new joint venture company brings together two leading players in the retail market; one international the other Hungarian. The strategy for growth will be focused on an aggressive property development programme in which new retail sites will be established throughout Hungary. In order to realise this ambitious commercial plan, a new position has been created which will be critical to the success of this business

Reporting directly to the Chief Executive Officer, the Property Director will be responsible for managing the entire process from negotiating purchases of properties through construction phase to opening of new stores.

To be successful in this role, you will need:

- fluency in English and Hungarian
- knowledge of property development and construction
- experience of negotiating with Hungarian municipalities
- the ability to interface with lawyers and construction professionals
- financial planning and budget management capabilities
- staff management skills

In return our client offers a challenging professional role which will have a direct influence on the business, an excellent remuneration package commensurate with this level of appointment and equity options.

Interested applicants should write in confidence enclosing a CV quoting reference 2019 to **Fiona Davidson** at Nicholson International (Search and Selection Consultants), Bracton House, 34-36 High Holborn, London WC1V 6AS or fax on **(+44 71) 404 8128.** Alternatively call her for an initial discussion on **(+44 71) 404 5501** or Andrea Toth in Hungary on **(+36 1) 275 1167/8.**

NICHOLSON INTERNATIONAL UK

France Italy Holland Spain Germany Belgium Turkey Poland Czech Republic Hungary Romania Russia

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FIXED INTEREST PRODUCTS SALES DISTRIBUTION AND MANAGEMENT

c.£50,000 plus Bonus and Banking Benefits

Our client is a leading international investment bank, expanding further in the fixed income markets. They are currently looking for a determined and [illegible] individual to develop the sales of MTNs and private placement product to worldwide institutional investors. You will play a pivotal role within a specialist, dedicated and professional team that is looking to increase its market share.

You should have 3 to 5 years experience with bond or money market institutional investors, with a clear understanding of bonds, money markets, swaps and derivatives.

If you have the ability to sell fixed income products, you should apply for further information to Ron Bradley, Head of Executive Recruitment

Jonathan Wren & Co. Limited, Financial Recruitment Consultants
No. 1 New Street, London EC2M 4TP Tel. 071-623 1266 Fax. 071-626 5259

JONATHAN WREN EXECUTIVE

SPOT F.X. £70,000
We are seeking experienced Spot dealers on behalf of several British, U.S. and Japanese banks. Positions are available for enthusiastic team players in Cable,$/DEM, $/JPY & EMS Crosses. Candidates aged 24-32 will have spent at least 3 years trading at an active bank, with a steady record of profitability to date.

CURRENCY OPTIONS. £50,000
First class international bank seeks a self-motivated individual to develop its marketing strategy and stimulate trading activity in Currency Options. The incumbent will have established good relationships with professional counterparties within the Derivatives market. Graduates with a minimum of 2 years OTC experience are preferred. Familiarity with Fenics pricing system & knowledge of spreadsheet will be necessary.

CORPORATE F.X. £40,000
Prime U.S. bank wishes to appoint a senior customer dealer aged 25 to 35 with a thorough knowledge of all Treasury products. Responsibilities will include marketing and quoting F.X. & Money Market prices to corporate clients. Ability to interpret current economic & political information and to advise customers on market trends is essential. Fluency in another European language would be advantageous.

SWAPS £45,000
Due to expansion of its Derivatives area a triple A rated European bank seeks an Interest Rate Swaps specialist with 3 years trading experience. The successful candidate, aged between 25 & 30, will be comfortable dealing in medium term maturities. Language skills would be appreciated.

FOREX Selection
Treasury Recruitment

Please call Jane Hampton or write in confidence quoting ref: JH1899.
Tel: 071-369 0369.
36 Cornhill,
London, EC3V 3PQ.
Reuters Page LOLO

Institutional Equities

An international Financial Institution is looking for a seasoned sales professional with experience in Indian and other International Institutional Equity Markets. The ideal candidate will have extensive contacts with Institutional Fund Managers. Candidates not only must be able to demonstrate extensive knowledge of Indian Languages, cultures and business practices but, they must also have contacts with business and government bodies in India. A First Class degree in a finance related discipline is a pre-requisite.

Successful candidates will have strong inter-personal skills with the ability to work under extreme pressure in this hectic, growing environment. A second European Language would be advantageous.

Please send C.V. together with a letter demonstrating why you are suitable for this position to: J. D. Vine, Vine Potterton Ltd., Suite 26, Ludgate House, 107-111 Fleet Street, London EC4A 2AB.

Closing date for receipt of applications: 4th May 1994.

VINE POTTERTON
RECRUITMENT ADVERTISING

EXCELLENT EXPAT PACKAGE

UKRAINE

Our client is an international FMCG group and has recently acquired 100% and 65% of two tobacco processing operations in the Ukraine.

They now wish to appoint two

GENERAL MANAGERS

on a two year contract basis to act as internal consultants in the areas of commercial management and MIS development and to provide overall business assistance to the Russian Managing Director at each site. The appointed candidates will be involved in the day to day decision making in respect of resource management, investments, financial management and operational control.

The ideal candidates will be mature businessmen (age 55/60) who have a proven track record in the successful integration of East European businesses into western operations. They will be excellent communicators and will be able to achieve through persuasion. They will be analytical and will have sound commercial kowledge and a good understanding of the financial aspects of manufacturing operations. A good knowledge of Russian and/or Ukrainian is essential.

An excellent expatriate remuneration package is on offer.

Please write in confidence, enclosing career and salary details to:

Management Select, A-1190 Vienna, Gatterburggasse 6, AUSTRIA
Tel: ++43 369 87 50 Fax: ++43 369 87 52 14

APPOINTMENTS WANTED

FINANCE MBA

(IMPERIAL COLLEGE)

seeks city sales or marketing position.

- Good quants
- Excellent communication skills

Tel Walton on Thames (0932) 221282
Fax (0932) 222950

TOP OPPORTUNITIES

TELECOMMS ANALYST **£NEG**

Several openings within major institutions for experienced Sectoral Specialists who possess excellent analytical skills. Applicants must have knowledge of the UK and European telecomms industry. Please call Stephen Donnellan.

MTN's **To £100K**

Top Investment Banks based in the City require MTN's specialists. Please call Andrew Stone.

For further details please call on 071-377-6488. All applications are treated in the strictest confidence.

CAMBRIDGE APPOINTMENTS
232 Shoreditch High Street, London E1 6PJ
Fax No. 071-377-0887

BUSINESS DEVELOPMENT MANAGER

***MBA** OR EQUIVALENT*

NORTH WEST ***c£35,000 + CAR + BENEFITS***

Our client is a very profitable, autonomous division (turnover c£850m) of a leading group in the leisure industry. The division has recently perceived the need for a Business Development Manager to develop and enhance the company's existing business and review acquisition opportunities.

THE ROLE

Working closely with the Directors and maintaining close liaison with the Group Corporate Strategy Department, the Business Development Manager's principal responsibilities will include the following:

* *Identifying and investigating acquisitions of related businesses.*
* *Seeking opportunities to use the facilities of the existing business in non-competing activities.*
* *Working in conjunction with the Marketing Department to help identify variants of the existing business.*
* *Assisting in the identification and development of new technology to enhance the existing business.*

THE INDIVIDUAL

The appropriate individual is likely to have an MBA (or equivalent) and to have had five or six years experience in a commercial or industrial company. The key personal attributes sought will include good interpersonal skills, a first class academic record and the ability to think laterally about the uses of people and resources beyond the confines of the existing business.

Please reply in writing to Vivian Sram, MA ACA, enclosing a full curriculum vitae and quoting reference MC1019.

Our client is an equal opportunity employer

VIVIAN SRAM LIMITED

FINANCIAL & MANAGEMENT RECRUITMENT CONSULTANTS
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Major Construction Group

DIVISIONAL FINANCE DIRECTOR

High-Profile Commercial Role

North West **to c.£60,000**

This well-known Plc is achieving continued recovery within a difficult sector, largely as a result of tough management action to focus resources in areas of greatest commercial gain. As part of this process, a separate division has been formed which requires a strong, financially-orientated business professional to join a seasoned and successful executive team, and to make an innovative input to divisional strategy. Operations, including UK and overseas, span a number of specialist areas with total turnover of over £250m. There are significant opportunities for growth, both through further acquisitions and the development of innovative business partnerships and joint ventures.

Ideal candidates – aged 35 to 45 – will be graduate-level qualified accountants with an outstanding record of contribution at divisional Board level or equivalent. Their experience, gained within a substantial and progressive business environment, will include strategic planning, project appraisal, managing critical change processes and success as a team leader. They will have acquired a comprehensive understanding of information systems and will expect to develop highly effective mechanisms to support the progress of the business. Their management style will be assertive but collaborative, aware of people's sensitivities while setting ambitious and challenging targets for them.

Please send a CV quoting reference 841 indicating present/recent salary to Dudley Harrop at:

Ashley Search & Selection,
The Graftons, Stamford New Road,
Altrincham, Cheshire, WA14 1DQ

Ashley
SEARCH & SELECTION

[illegible]

■ This £40m+ company is one of the largest and most successful privately-owned textile companies in the UK. Continuous investment in products and technology plus imaginative commercial strategies have given it a strong order book and a worldwide customer base.

■ The retirement of the present FD has created an opportunity for an exceptional individual to play a key role in the development of the business. The job will involve providing 'hands-on' support to the Board, Chief Executive and line management, maintaining effective liaison with the banks and managing the finance and computing departments.

■ Probably aged 35-45, you must be a fully-qualified Chartered Accountant (CA) with at least 10 years' post-qualification experience in a senior financial role, preferably in a progressive international manufacturing business. You must have experience of all the main financial disciplines including foreign exchange risk management and the development of company systems. Knowledge of commodity-based textile manufacturing is desirable but not essential. However, you must have well-developed managerial and interpersonal skills and have the potential to make a strong contribution at Board level.

■ The initial salary is expected to be in the range £45-50,000 plus company car and benefits. *Please send your CV, quoting current salary and ref: 3767 to Ross Monro, Theaker Monro & Newman, Regency Court, 62-66 Deansgate, Manchester, M3 2EN.*

Textiles

North of England

£45-50,000
Car, Benefits

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Joint Venture Accounts Manager – Asia

A New Oil and Gas Development Project

One of the fastest growing and most progressive Australian independent oil companies, noted for its technical excellence and management capability, seeks a key oil and gas professional to take on a senior role. The most recent in an impressive series of transactions will realise a several fold increase in daily oil production as a result of the development of a regionally significant offshore oil field in Asia.

You will manage the joint venture accounts in accordance with the terms of the Production Sharing Contract and Joint Venture Operating Agreement. One of three senior expatriates, you will supervise local staff, report to the local Commercial Manager and receive support from the project team in Australia.

A qualified accountant, you have at least 15 years' experience in oil and gas joint venture accounting including a thorough working knowledge of Production Sharing Contracts.

The position requires a relevant degree, drive, enthusiasm and a no-nonsense, results-oriented, cost efficient approach. It represents an unrivalled ground floor opportunity to contribute to this significant international oil development project with an innovative oil company.

The post, which is city based in Asia, will command a competitive expatriate remuneration package including married status.

In complete confidence, please write with CV to: **Sue Jagger,**
Deputy Managing Director, Simpson Crowden Consultants Limited,
97/99 Park Street, London W1Y 3HA. Telephone: 071-629 5909.

Simpson Crowden
CONSULTANTS

ACCOUNTANCY COLUMN

Companies yet to give the green light

Roger Adams, Tessa Tennant and Lucy Varcoe look at the growing interest in environmental reporting

The last four years have seen an explosion of activity and interest in environmental reporting. A genuinely committed movement has emerged, but one with no definite direction and therefore no destination.

Since Norsk Hydro first came out of the closet with an environmental report in 1990, more than 30 UK companies have begun to make extensive disclosures in stand-alone reports, and many hundreds more are putting statements into their accounts. In other countries, Dow Chemicals, Danish Steelworks, Kumert and BSO Origin are among those that have experimented with green reporting.

In a market economy, ways must be found to convey the financial and economic consequences of corporate environmental practice as well as the bald details of the performance itself. Reporting progress towards sustainability – virtuous and admirable though it is – may be insufficient.

For better or worse, financial reporting has long had the accounting profession as its guide and shaper, and the Stock Exchange as its destination. The environmental reporting movement has no such single channel, largely because the audience has remained resolutely elusive and obstinately unresponsive.

Such research as exists seems to indicate that the provision of environmental data is hardly ever demanded. In principle, potential users are similar to those for financial reporting, except the order of priority is different. Financial reports are normally assumed to be for the benefit of shareholders first and the financial markets second, with others, like employees and business contacts, lagging behind.

By contrast, most companies producing environmental reports claim to be doing so primarily for their employees. It seems unlikely that they are doing it for shareholders, since little attempt is made to communicate the issues through the traditional channels of the annual report or summary statement.

Bringing up the rear are the fund managers and investment analysts. Few, when questioned, admit to having much interest in environmental information being reported in increasing quantities. They are not told if or why it is important and they are given no financial clues on the costs and benefits of being green. Equally, they are not apparently bothering to ask.

There are some exceptions. In the UK, there are now about 40 investment products bound by ecological or ethical criteria with a combined value of over £650m. But these funds are the exception, and their operations are hampered by the lack of financial detail in current environmental reports.

A recent survey of the environmental reporting practices of the European chemical industry by Andrea Spencer-Cooke suggested that in the near-total absence of such information, analysts could do little more than act by exception: downgrading companies that were not publishing such reports.

They only sat up and took notice when companies started including provisions in their financial statements for land remediation costs (like ICI), or disclosing contingent liabilities in the small print (like BP).

When specifically asked what they want from corporate environmental statements, analysts suggest a mixture of items that are deliverable, that would prove useful if only accountants could deliver them, and that because of commercial sensitivity are unlikely ever to be delivered.

Among the deliverable items are clean-up provisions and contingent liabilities, green accounting policies, statements of corporate environmental policy, the results of internal environmental audits and a statement of assurance from management of compliance with standards across the company.

A concerted strategy is needed to narrow the gap between what the investment community wants from companies and what they feel under an obligation to provide

Among those items dependent on the accountants are disclosures of historical and prospective environmentally-related capital and revenue expenditures, ideally broken down by business segment. Rhône-Poulenc is one of the few European companies providing this information, although the figures are highly subjective because an increasing proportion represents unavoidable rather than discretionary expenditure.

Value for money measures also come into this category. Given the extent to which these techniques are in place in local and central government, it seems barely credible that private sector companies have not yet adapted them to monitoring their environmental activities to determine the net cost or benefit.

The third category of information to which analysts would wish to be privy but is likely to stay beyond their grasp includes cash flow and market share projections as a result of environmentally-related expenditure. It also includes the financial consequences of sustainability: how future planned actions would have to be changed if the company was to claim it was operating on a sustainable basis. BT and BP are among the British businesses that discuss sustainability, but do not attempt to quantify the cost.

In the absence of a regulatory framework like that covering financial reporting, we believe preparers should investigate the scope for including more disclosures of the items in the first two categories of information. If it is auditable, it should be contained in the financial statements subject to audit. If it is subjective, it should be included in the financial statement but remain outside the scope of the audit report.

We suggest as a minimum that companies should disclose provisions for clean up costs, the basis for their calculation, data on contingent liabilities, a summary of any environmental audits along with external verifiers' reports, a corporate environmental policy statement, a statement of compliance with all external standards, and a reference to where more detailed disclosures can be obtained.

We would also like to see disclosure of the historical and prospective annual spending driven by environmental needs, disaggregated historical environmental performance measured against established indicators, value for money data, and a statement in which management summarises its views on how the company stands regarding foreseeable changes in environmental legislation.

At present, even companies with the best environmental reports spend little time discussing the financial and economic consequences of the frenzy of environmental activity they have undertaken. It may be they discuss sustainability in all good faith, or it may be they use such earnest discussions to camouflage their shortcomings in quantifying their activities.

A concerted strategy is needed to narrow the gap between what the investment community wants from companies and what companies feel under an obligation to provide. The accountancy profession, the investment community and companies need to work together to identify and deliver on improved, consistent environmental reporting.

Roger Adams is with the Chartered Association of Certified Accountants, Tessa Tennant is with Jupiter Tyndall Merlin and Lucy Varcoe is with Business in the Environment.

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APPOINTMENTS ADVERTISING

appears in the UK edition every Wednesday & Thursday and in the International edition every Friday.

For information on advertising in this section please call

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c. £60,000 + bonus + benefits — *Multinational Industrial Group* — *London*

Group Treasurer

Significant change and refocusing on core activities within this major UK quoted group has created an enviable opportunity for a first-class treasury specialist. Working closely with new Executive Directors and a small, highly-qualified head office team, the key task will be to build a responsive and high profile treasury function to support the strategic development of the Group, both in the UK and overseas.

THE ROLE

- Reporting to the Group Finance Director with responsibility for creating an effective treasury function, providing Group funding and risk control, and supporting a range of corporate development activities.
- Establish effective cash management across the business. Key role in completing a major refinancing exercise and thereafter maintaining sound relationships with principal bankers.
- Developing systems and procedures capable of integrating substantial international acquisitions. Building close effective links with divisional management.

THE QUALIFICATIONS

- Ambitious and dedicated graduate ACA/ACT with broad experience from a substantial multinational corporate treasury function. Aged early to mid 30s.
- Robust and inquisitive analyst with first-class system skills and an eye for detail. Strong networker with confidence to take a view.
- Supportive hands-on team member effective in a fast-moving, progressive environment. Able to handle complex negotiations at a senior level.

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Spencer Stuart

Please reply with full details to:
Selector Europe, Ref. [illegible],
16 Connaught Place,
London W2 2ED

Play a critical role in change management

Finance Director

Healthcare

c£45,000, car, benefits — *M25/Herts*

This high profile, c£45m company manufactures and markets a range of high value, life saving biological products for both the UK and a growing export market. It operates one of the largest and most advanced manufacturing plants of its kind in Europe. Major investment in new technology, a developing R&D pipeline and ongoing process of change management have prepared the company for substantial business growth.

Reporting to the Chief Executive, you will be responsible for sharpening the commercial focus through a thorough revision of management accounting and reporting and the strengthening of controls of cash management. You will also provide strategic direction to the IT function as well as contributing to corporate strategy as part of the senior management team. On a wider level, you will play a major role in corporate affairs, in particular through approval of in- and out-licensing agreements and possible joint ventures.

To excel in this challenging position, you will need to demonstrate the astute judgement and interpersonal skills required to introduce and gain acceptance for controlled change management. As a qualified accountant with extensive senior management experience in a sophisticated manufacturing environment, your track record of business improvement will include successes in the management accounting and IT functions. Some exposure to licensing processes will also be a distinct advantage.

This position offers a rare opportunity to shape the future of an emerging organisation at an exciting stage of its development.

In the first instance, please send in confidence your CV to Jane Booth, Riley Consultancy, 4 Red Lion Court, Fleet Street, London EC4A 3EN; Tel: 071 353 3223; Fax: 071 353 2338; quoting reference 311/FT.

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LEADING NAME IN INVESTMENT MANAGEMENT

OUR CLIENT IS A DIVERSE FINANCIAL SERVICES GROUP. THE EXPANSION OF THE BUSINESS AND THE INCREASING COMPLEXITY OF THE UNDERLYING TRANSACTIONS HAS CALLED FOR NEW PROCESSES AND CONTROLS AND THESE POSITIONS OFFER CONSIDERABLE RESPONSIBILITY AND SCOPE FOR CAREER DEVELOPMENT

CJA INVESTMENT ACCOUNTANT

LONDON - WEST END — **£35,000-£45,000 + CAR + BONUS**

This new position reports to the head of finance, with responsibility for the day-to-day management of investment accounting and the valuation of the funds. The aim is to strengthen further the underlying processes and systems, to introduce new controls and to manage and motivate the team. We invite applications from qualified accountants (ACA) with a minimum of 3 years' post-qualifying experience. Securities industry experience is essential, gained in either a similar position in an investment house or in auditing major clients in this area. We seek an ambitious, forward-looking manager with proven experience in team leadership and new systems implementation. **Reference IACC4966/FT**

CJA ACCOUNTS ASSISTANT

LONDON - WEST END — **£23,000 - £27,000 + BONUS**

We invite applications from candidates, ideally part-qualified accountants, with investment accounting experience in a high profile company and excellent computer skills. The funds are very active and invested in the full range of markets and instruments. The successful applicant will be responsible for daily reconciliations and posting of investment and cash transactions, will prepare valuations and draft monthly management accounts. A knowledge of pricing issues relating to stocks, bonds and futures and the preparation of accounts to at least trial balance are essential. We seek applied commonsense and the desire to progress. **Reference IASS4967/FT**

Initial remuneration is negotiable. Applications in strict confidence quoting appropriate reference to the Managing Director, CJA

Challenging position for a candidate prepared to accept responsibility

CJA BANK ACCOUNTING/REPORTING

CITY OF LONDON — **£35,000-£40,000 + BONUS**

LONDON BRANCH OF MAJOR GERMAN BANK

The successful applicant will report to the Head of the Department and will supervise a section of 6 staff and be responsible for the preparation and interpretation of the Branch P&L account and tax matters, including VAT returns. In addition there is close liaison with Head Office and other departments within the branch with the preparation of ad hoc reports. Applicants must be educated to degree level with substantial practical account experience with a leading bank and good computer skills. German language ability and familiarity with the complex demands of German accounting and reporting are essential. Initial remuneration is negotiable £35,000-£40,000 + bonus and full benefits package with some flexibility for an exceptional individual. **Applications in strict confidence under reference BAR4961/FT to the Managing Director, CJA.**

HEAD OF GROUP AUDIT

West London

c.£60,000 + Exceptional Benefits Package

This major International Group is a market leader within FMCG with brand names that are distinctive and recognised worldwide. Turnover has consistently increased in line with profitability and the group remains committed to further acquisition and development opportunities.

As Head of Group Audit, you will control the overall strategy, approach and co-ordination of audit activities on a worldwide basis. With the support of dedicated regional teams, you will ensure all group activities comply with agreed policies and procedures and initiate change to improve operational effectiveness and profitability. As part of a high profile unit, work will include a variety of special projects regarding corporate development issues.

The ideal candidate will be a qualified accountant currently at a senior level within the audit function of a blue chip group or within a 'Big 6' accounting practice. You will be able to display first rate technical ability and organisational skills combined with superior interpersonal qualities. This role is a senior financial appointment in a highly successful International Group that is committed to developing senior managers of the highest calibre.

Interested candidates should write to Michael Herst enclosing a full curriculum vitae quoting reference MH457.

HARRISON WILLIS
SEARCH AND SELECTION PARTNERSHIP
Cardinal House, 39-40 Albemarle St., London W1X 3FD. Tel: 071-629 4463
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SENIOR ACCOUNTING/BANKING OPPORTUNITIES

KUWAIT

SUBSTANTIAL SALARY AND BENEFITS PACKAGE

Our client is a significant presence within the Investment/Banking field with a track record of proven success. As part of a continued process of structural change and systems enhancement they now seek three key individuals with the necessary combination of experience and communication skills.

The key requirement is the combination of an accounting and investment banking background with a minimum of six years in banking. A knowledge of new financial instruments, EFT and SWIFT systems, settlements etc. is preferred, and an accounting qualification/background is a must. Opportunities exist for those with a troubleshooting/systems background to develop the management information reporting structure. PC systems are used extensively and a knowledge of these is vital. Equally important are excellent inter-personal skills. Knowledge of Arabic would be advantageous.

In addition to an extremely attractive tax free salary, a comprehensive benefits package is offered which includes a housing and furnishing allowance, paid school fees, performance bonus and end of service award.

Interested applicants should in the first instance contact James Screene at:

ACCOUNTANCY RECRUITING LTD
121 KINGSWAY LONDON WC1
OR
phone him on 071 831 2929

Porterbrook Leasing Company Limited

A Wholly Owned Subsidiary of the British Railways Board

CHIEF ACCOUNTANT

A Key Development Role

The privatisation of British Rail is one of the most demanding business challenges of post-war years. The creation of 3 new rolling stock leasing companies is a key part of this process and will become a substantial new industry in the UK. One of these companies, Porterbrook Leasing Company Limited, will own and manage the railway vehicles to be leased for passenger train operation. The fleet will have mixed stock of c3,500 vehicles, with a value of c£1.5bn, and will compete for business. This exciting task demands skills and application of the highest order. It is intended that the company will transfer to the private sector.

As a highly motivated finance professional, you will lead all financial accounting activities within the business. You will be responsible for establishing a finance team and implementing the key financial policies, systems and controls which will ensure the success of the business and its transition to the private sector.

Reporting to the Finance Director, the Chief Accountant is responsible for all financial accounting and statutory reporting, asset records, treasury management and the provision of sound independent advice on customer creditworthiness. The role will also encompass Company Secretarial and Office Management duties.

Candidates will possess a professional accountancy qualification, with a minimum of seven years' senior financial experience. Good communication skills, strong leadership, excellent technical accounting abilities and computer literacy are essential.

Please apply, enclosing full C.V., to Marc Kavulok at Robert Half, Gresham House, 7 St Pauls Street, Leeds LS1 2JG. Telephone: 0532 428978, 24 hours. Fax: 0532 421938.

As retained consultants, any CV's submitted directly to our client will be forwarded to Robert Half.

c£40,000
+ Excellent benefits

Sheffield

ROBERT HALF
FINANCIAL RECRUITMENT

CORPORATE INTERNAL AUDIT

South East

Our client is one of the UK's outstanding providers of insurance and financial services. The Corporate Internal Audit Department has a high profile within the Group, with a brief to evaluate performance and controls throughout the UK and European operations and to develop recommendations for improvement. The department also delivers strategic review projects to senior management and has significant influence throughout the business.

Due to recent internal promotions, two opportunities have arisen for qualified accountants who possess rigorous analytical and highly effective communications skills and can demonstrate a successful track record in internal audit.

Audit Project Leader
c.£37,500 + bonus + car
With at least five year's professional audit experience gained in a blue-chip environment, you will be responsible for personal delivery of major audit projects and the supervision and direction of staff assignments.

Senior Internal Auditor
c.£30,000 + bonus + car
With a minimum of one year's post-qualification experience, you will be able to undertake varying assignments – audits, post-acquisition reviews, consultancy projects, fraud investigations primarily in the UK and occasionally abroad.

Career prospects are excellent, with the Corporate Audit Department providing a regular springboard to further career opportunities within the Group.

In complete confidence, please write enclosing your CV to Philip Taptiklis.

Zealand James & Company, Askett Lane,
Askett, Princes Risborough, Bucks HP27 9LT
Telephone: 0844 275800, Fax: 0844 275805

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Outstanding opportunities for Qualified Accountants in an International Services Group

Our client, the UK operating subsidiary of a leading global financial services group, is poised to undergo a period of growth; the first phase of which will be primarily organic. A recently appointed high calibre management team, coupled with a commitment to compete with the best, and a corporate strategy orientated towards the provision of superior customer service, will create substantial domestic opportunities. The company values teamwork and empowerment that produces superior results.

Business Controls Manager

N. London **To £35,000 + Car + Bonus**

Reporting to the Finance Controller and managing a small team, the role is both varied and challenging and will involve an equal mix of routine and project based assignments. Key elements of the position will be the development of strong financial and business controls and the enhancement of existing systems. This is a highly proactive role involving extensive liaison with senior management in all divisions of the company. The appointee will be a member of the Executive Controls Committee.

The ideal candidate will be a "Big 6" trained ACA with 2-3 years post qualification experience either in public practice or commerce. It is essential that applicants possess good academic and analytical skills and are able to work to tight deadlines in a demanding environment.

Financial Planning Analyst

N. London **To £30,000 + Bonus**

Working within a small team, this position reports to the Financial Planning and Reporting Manager and offers high level exposure at a very early stage.

The role is highly commercial and will involve a number of key business issues. These will include the preparation of group and divisional operating plans and budgets and regular performance analyses of the various business units.

The successful candidate will be a recently qualified ACA with a strong academic background. Ideally, trained with a "Big 6" firm, the individual must be analytical and a confident communicator with all levels throughout the business.

In both instances you will have a proven track record in your current environment and will need to be action orientated with a flexible and enthusiastic approach.

The rewards include an attractive remuneration package plus excellent career prospects in an international and growing group.

Interested applicants should write in the strictest confidence to Robert Walker or Brian Hamill, forwarding a curriculum vitae to our London office quoting ref: BH993

WALKER HAMILL

Executive Selection

29-30 Kingly Street
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Tel: 071-287 6285
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Financial Controller

Luxury Goods

West London **c. £38,000 plus car**

This highly profitable UK subsidiary of a rapidly growing international company markets a range of premium consumer products with a worldwide reputation for style and quality. Reporting directly to the UK Managing Director and functionally to the Chief Financial Officer in the USA, the Financial Controller will manage a small support team, including MIS, with a strong focus on providing relevant financial and *management accounting information and analysis.* Candidates, aged say 35-45, will be commercially orientated graduates, ACA or ACCA qualified with ten years' financial experience including four years in a full Controller role, operating in £10-£50m distribution or manufacturing organisations. Forecasting and costing experience is important but prerequisites will be the ability to demonstrate an *energetic, pro-active, hands-on style, outstanding interpersonal skills* and the ability to work effectively and sensitively in a close knit management team. Career development prospects are excellent. Please write in strict confidence, enclosing CV to Alan Rundle, Rundle Brownswood Limited, Highway House, 17 London End, Beaconsfield, Bucks, HP9 2HN.

RUNDLE BROWNSWOOD

INTERNATIONAL SEARCH AND SELECTION

FINANCE DIRECTOR

c.£60,000 + SUBSTANTIAL BONUS + CAR — WEST LONDON

Our Client is a highly profitable £100million turnover subsidiary of a quoted British PLC, with group revenues exceeding £2Billion. The Company is a UK market leader in the supply of a range of services to both the business sector and wider community, operating from around 50 commercial/processing units, employing over 2,500 staff. A new Finance Director is required following the promotion of the incumbent to a *general management role elsewhere in the* group.

Reporting to the Managing Director, this is a "hands on" role which carries responsibility for the total financial function, with the key emphasis being upon profit enhancement across the business.

Working closely with board colleagues and other commercial/operations management, the appointee will be responsible for managing the financial *needs of the business, including budget* performance review, group reporting, capital proposal requirements, cost reduction and profit enhancement.

Leading a highly focused financial team the successful candidate will be a change manager, able to add value through clearly developed strategies.

We are seeking a team oriented individual with strong communication and *interpersonal skills and a high level of* commercial acumen.

Candidates should be qualified accountants with a proven fast track background gained in profit driven change oriented organisations. Previous experience of companies with multi site service and processing units will be particularly relevant.

The Company offer an excellent salary and benefits package, in addition to a significant bonus potential. Considerable career development prospects in the group are attainable on proven performance.

Interested applicants should write enclosing career details to John Sheldrake at JOHN SHELDRAKE ASSOCIATES, 47 High Street, Little Abington, Cambridge CB1 6BG. Tel: 0223 893910, Fax: 0223 893901.

John Sheldrake Associates
Executive Search & Selection

Regional Financial Controller

c.£42,500 + Car + Benefits ***City***

Dow Jones Telerate is a wholly owned subsidiary of Dow Jones & Co. Inc. and a world leader in providing on-line financial information.

We seek a Regional Financial Controller to work at a senior level in our Finance Department. Supported by an experienced and professional team, you will take responsibility for the management of the accounts function, financial reporting, accounting services and ad hoc projects.

This high profile role involves liaison with both our overseas group companies and professionals at a senior *level, therefore to succeed in this role your inter personal* skills will be first class. Experience of reporting under both UK and US GAAP would be a distinct advantage.

You will need to have at least five years post qualifying experience, ideally in the *financial services industry and be able to demonstrate a record of achievement in* managing a finance department.

To fulfil the demands made by our fast moving environment, you will be a practical hands-on manager who shows drive, professionalism and extreme commitment.

To apply please send your cv to Stephanie Harris, Human Resources Officer, Dow Jones Telerate Ltd., 15 Fetter Lane, London EC4A 1BR. Closing date: 16th May 1994.

"This company is committed to equal opportunities and applications are welcomed from anyone irrespective of colour, ethnic origin, disability, sex or marital status."

Dow Jones Telerate

Financial Controller

Nottingham **c£30,000 + car**

Our client is the UK subsidiary of a major French industrial group whose operations span the globe. Importing high value products from its parent company in Paris, it runs a successful sales and distribution business in this country with an annual turnover of £30 million.

Leading a small team and reporting to the Managing Director, the Financial Controller will head up the finance function and be responsible for the full range of reporting and control activities. In addition to preparing budgets, cash flow forecasts and regular monthly returns, the *successful candidate* will also undertake treasury work, help to upgrade the computer system and contribute to the commercial decision making process.

Candidates should be qualified accountants of graduate calibre, probably in the 27-35 age range. They should have *at least two years* PQE ideally gained in a commercial organisation where they have developed strong management reporting skills. We are seeking a leader who can motivate others but is also ready to get involved in the 'nitty gritty'. You should be self *motivated, adaptable* and commercially astute, comfortable with pcs and available to travel to Paris from time to time. A knowledge of French would be an advantage but is not essential.

To apply please write with full CV and current salary package to Paul Carvosso, *ref. A55D53, MSL International Limited,* 32 Aybrook Street, London W1M 3JL.

MSL International
CONSULTANTS IN SEARCH AND SELECTION

SEER Technologies
The Systems Development Company

£45,000 to £60,000 plus car allowance & benefits depending on experience

Seer Technologies, a joint venture between IBM and Credit Suisse First Boston, is one of the fastest growing software and consulting firms in the world. We are a US based company, and in just four years we have achieved international leadership status in large scale client server applications and have built ourselves an impressive international blue chip client list.

EUROPEAN FINANCIAL CONTROLLER

We are seeking a qualified Controller to ACA/ACCA standards, to take over the *responsibility for all the financial* activities for seven companies throughout Europe.

The successful candidate will have at least 10 years experience in a fast paced, hi-tech computer software and services environment. You will be a profit-oriented financial professional with proven management experience and excellent interpersonal skills. Knowledge of the needs and requirements of an American multi-national company is highly desirable.

In this rapid growth scenario, the Controller will initiate and implement policy in all financial matters while considering individual countries' common practices. In addition to overall responsibility for the preparation of monthly management accounts, consolidations and management reporting to strict deadlines, you will also have responsibility for expense control, cash flow management, compliance with US and European statutory requirements, foreign exchange management and international tax planning.

You will be based at our European headquarters in London and some travel will be required. Knowledge of other European languages would be an advantage.

Please send a detailed CV and salary history to Rae Avatar, Seer Technologies (UK) Limited, Capital Place, 120 Bath Road, Hayes, Middlesex UB3 5AN.
Closing date for applications: 20th May 1994.

INTERNATIONAL REPORTING MANAGER

c£45,000 + Car + Benefits

Thames Valley

Our Client is one of the world's most successful and innovative hi-tech organisations. Continued European expansion has created the need to strengthen and further develop its international finance team with the appointment of a Senior Finance Manager.

The company has recently undertaken a major review of its international business *systems, and as a result, the successful candidate* will be expected to play a key role in developing management reporting to reflect changing business requirements. Supported by a small, professional team, this will involve managing the consolidation of 30 reporting entities and providing proactive financial analysis of the company results, both on a country and international basis.

The successful candidate will have a minimum of 3 years' PQE at manager level, either in practice or commerce, and should have experience of co-ordinating diverse teams within an international environment.

A knowledge of US accounting policies and a minimum of 2 years' managing and motivating *staff is also sought. This is an excellent opportunity* for a high calibre Accountant seeking a career path to controllership level within 2 to 3 years.

Please apply directly to Suzzane Wood at Robert Half, Princess Beatrice House, Victoria Street, Windsor, *Berks SL4 1EH. Telephone: 0753 857777* 24 hours. Alternatively, fax your details on 0753 841676.

ROBERT HALF
FINANCIAL RECRUITMENT

Commercial Finance Manager

Herts

£30-£35,000 pa Plus Car

Our client is an autonomous company within a well respected and high profile name in the service sector

The significant growth plans and the demands which the business places upon itself to continually increase the quality of service provided necessitate that this role plays a key part in the development of not only the finance function but also the wider business.

Reporting to the Finance Director and leading a small professional team you will be responsible for all aspects of periodic management accounting and reporting, budgeting and short-term planning. Additionally however you will :

- Provide interpretation of Company performance and exception *reporting and develop regular ongoing* business forecasts.
- Provide financial support to Operational Management for all areas of control and development.

In order to be able to perform the above you will be a qualified Accountant with a broad commercial background in a fast moving environment. Ideally you will be aged 28-33 years old and will be able to demonstrate:

- A strong and mature presence with the credibility to gain respect at an early stage.
- Ambition and flexibility with the desire to propose and implement positive, workable changes.

Additionally you must have a strong affinity with computerised systems and a high level of PC skills and spreadsheet modelling.

If you feel that you could respond to the above challenge you should write to Karen Wilson BA ACMA at Hoggett Bowers, George V Place, 4 Thames Avenue, Windsor, Berks SL4 1QP enclosing a recent CV and a note of current salary quoting Ref. WKW/4029/FT.

Hoggett Bowers
EXECUTIVE SEARCH AND SELECTION

BBC Management Accountant

Up to £35,000 + Benefits **White City, London**

As part of restructuring within the BBC, all technical and other support activities within the Corporation have been brought together in a new division known as the Resources Directorate.

Comprising over 11,000 people, it provides a very broad range of services across the UK, including the operation of studios, technical back-up to Television and Radio programme making, facilities management and other engineering functions such as transmission.

To continue to build and strengthen the senior finance team of the Resources Directorate, we are recruiting a Management Accountant to report direct to the Financial Controller and play a significant role in the development of this important division.

Candidates must be qualified with experience gained in either a similar media environment or the media group of a major accounting practice. In addition they should have strong inter personal skills and a flair in the use of spreadsheets.

A confident and flexible approach will be critical to the long term success of a candidate in this role and their own ultimate career progression.

Applicants should send their CV's to **David Brownlow**, at Douglas Llambias Associates, 410 Strand, London WC2R 0NS or fax on 071-379 4820.

DOUGLAS LLAMBIAS
RECRUITMENT CONSULTANTS

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c.£65,000 + Benefits **Thames Valley**

The Company

- *Major U.S. multinational providing financial and technical asset management and computer disaster recovery* services to a variety of premier international and local clientele.
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The Role

- Reporting to the European Finance Director, you will be responsible for all European taxation issues including VAT, corporate incomes taxes, negotiations with tax authorities, international projects and some US reporting.
- You will be involved in merger and acquisition activity, corporate reorganisations and work closely with Treasury, Sales, Accounting and Operations departments.
- The position involves an element of travel, principally to France and Germany.

Qualifications

- *Graduate ACA, with Big 6 background preferred, aged 35 - 45. Significant experience in international* European and US tax matters is essential.
- You should thrive in an atmosphere requiring a hands-on approach, the ability to manage projects independently and communicate effectively.
- You must be a proactive team player with strong linguistic skills, preferably in French or German, who will interact well at all levels, both internally and externally.

If you have the necessary profile for this position, please apply in writing, enclosing CV and current package details to: *The Human Resources Department, Comdisco (United Kingdom) Limited, The Mondrian Building, Herschel Street,* Slough, SL1 1XS

FINANCIAL DIRECTOR

c. £35,000 + SUBSTANTIAL BONUS
CAR AND EXCELLENT BENEFITS - COTSWOLDS

Our client is a highly successful company with an enviable reputation for quality and innovation in the design and manufacture of consumer based products. Part of a major International group, they have ambitious plans for the future and seek to strengthen their management team by appointing a professional Financial Director to run the systems and finance departments.

The ideal candidate must have hands-on experience of all aspects of accountancy, be used to working with sophisticated information systems and possess proven leadership qualities. A desire to play an important part in the future direction of the company and the determination to achieve change are considered to be important attributes for the position

Experience of budget preparation, costings, stock control systems and other measurement systems in a complex manufacturing environment is essential.

If you are 30 - 40 years of age with a professional qualification, this could be an excellent career oppotunity in an environment with ambitious plans.

Please write, enclosing full c.v.,
to the company's advisers
PRADAS, Birch House, Temple Way, Farnham Common, Bucks SL2 3HE.

APPOINTMENTS WANTED

FINANCE DIRECTOR/CEO

- Seeks position managing expansion of international group
- Chartered Accountant FCA with significant European management experience in *service sector*
- Hands-on track record
- Leadership,M&A and *negotiating skills*
- Excellent French, Spanish, German

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Philip Wrigley on 071 873 3351

Notting Hill Housing Group is one of the largest housing association groups in London providing affordable homes with care and support for people in housing need. We own and manage 10,000 rented and 1,600 shared ownership homes and are involved in a variety of initiatives to help homeless people.

Financial Controller

£28,606 - £32,347

Your primary brief will be to produce the management and financial accounts of the Home Ownership arm of the Group, manage a small team and contribute to the future funding of new schemes. You will be working to the Group Finance Director and will play a key part in the advising on financial planning and development of the Group.

Preferably qualified, your sound accountancy and proven management skills will be complemented by your enthusiasm and ability to meet deadlines. In addition you should be able to communicate effectively with non-financial colleagues, and outside bodies such as financial institutions and government agencies.

For an informal discussion please ring John Rhodes, Acting Group Financial Director on 081 563 5053.

For further details of this post and an application pack please telephone 081 563 5129 (24 hour ansaphone) quoting job reference OF10/FT/1 or write to Rosie Hubble, ***Recruitment Officer, Notting Hill Housing Group,*** **26 Paddenswick Road, London W6 OUB.**

Closing date: 13th May 1994 (5.00pm).

Notting Hill Housing Group is an equal opportunities employer. We are working towards a no-smoking policy.

NOTTING HILL
HOME OWNERSHIP

Portfolio

International Internal Auditor

c £28,000 + Bens **London**

* 60-70% International Travel
* Good command of French

Our client is an industrial services company operating worldwide in thirty countries with an annual turnover of $500m. Having been through a period of expansion and change in the last 5 years, they are looking to recruit another internal auditor to complete the strength of the audit team.

Ideally candidates will be aged 25-30 years old, be qualified accountants with some post qualification experience gained within the profession or industry. Essential will be a good level of fluency in French.

Contact **David Brownlow** quoting Ref No: FT280494/A.

Group Accountant

c £33,000 **London**

* Top 6 ACA
* First move from Public Practice

1st class opportunity for commercially minded ACA (c 2 yrs PQE in public practice) to join high profile group team. Work covers group reporting, business analysis and projects. Excellent communication skills and 'blue-chip' style essential.

Contact **Pippa Curtis** quoting Ref No: FT280494/B.

Overseas - USA

£ Competitive **New York**

* Major US Bank
* Project Manager/Internal Audit

A qualified Chartered Accountant with 5 or more years experience gained within a public practice or banking audit environment is sought by this major US bank. You will be familiar with risk based auditing and have had exposure to trust, custody, clearing or investment management.

Contact **Jonathan Gill** quoting Ref No: FT280494/C.

Management Accountant

£35,000 **Sussex**

* Insurance experience

Qualified Accountant with strong financial and management reporting knowledge gained within the insurance industry required for senior management role. Emphasis on management information and good 'people' skills.

Contact **Pippa Curtis** quoting Ref No: FT280494/D.

Trader Support

c £25,000 **City**

* Major US Bank
* Global Capital Markets

The role is on a high profile project dealing with the Credit Management functions for interest rate derivative products and currency swaps. You will be a numerate graduate and have a good understanding of these products through working in an operations environment.

Contact **Jonathan Gill** quoting Ref No: FT280494/E.

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£30-40,000 + Banking Bens **City**

* Top UK Bank
* *Innovative trading philosophy*
* ACA + 2 years PQE

This leading Merchant Bank seeks a qualified accountant to take front-line accounting and analytical responsibility for complex structured trades within a Swaps and Interest Rate Derivatives environment. An outstanding opportunity for a bright, commercial, quantitative individual with exceptional interpersonal skills and experience of financial markets. Prospects for advancement are excellent.

Contact **Jonathan Gill** quoting Ref No: FT280494/F.

For details of Temporary Assignments in industry, commerce and financial services, please contact **Jacque Field** or **Jim Nairn.**

Douglas Llambias Associates Limited, 410 Strand, London WC2R 0NS. Telephone 071-836 9501. Fax 071-379 4820.

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Ideally aged 35-45, you should be a strong leader and good communicator, creative and innovative and a consensus builder. A professional qualification supported by sound auditing and accounting experience is essential.

The package includes a competitive salary, with fully expensed car or car allowance, together with share options (subject to qualifying period), free medical insurance, permanent health insurance, and a range of pension options.

Please send full cv to: -
David Jux, Director of Personnel,
The Rank Organisation plc,
York House, 45 Seymour Street,
London W1H 6BB.

The Rank Organisation

CHARTERED ACCOUNTANT

Professional Conduct Department

Applications are invited for a post in a team of Chartered Accountants, Lawyers and graduates investigating complaints about professional conduct. We are looking to recruit someone with experience in the fields of insolvency and/or auditing. The work involves investigating professional misconduct and reporting on these enquiries, with recommendations, to the Investigation Committee of the Institute.

The person appointed is most likely to be a Chartered Accountant but others with recent relevant practical experience will be considered.

The work requires sound analytical skills, the ability to rapidly identify key issues and a determination to get to the bottom of problems. When appropriate, he/she must be able to offer robust advice to members and complainants and be able to present a case clearly, in writing and orally, to Committees.

The vacancy, is in the Professional Conduct Department of the Institute based in Milton Keynes. A salary in a range up to £38,000 according to age and experience plus other benefits, is available.

Please apply in writing, enclosing a CV and stating your current salary to Mrs M S Owens, Personnel Manager, The Institute of Chartered Accountants' in England and Wales, Gloucester House, 399 Silbury Boulevard, Central Milton Keynes, MK9 2HL.

The closing date for applications 13 May 1994.

THE INSTITUTE OF CHARTERED ACCOUNTANTS IN ENGLAND & WALES

FINANCIAL MANAGER

circ £40k

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Please send CV in first instance to
Box No: A2013,
Financial Times,
One Southwark Bridge,
London SE1 9HL.

QUALIFIED ACCOUNTANT - LEISURE INDUSTRY

Commercially aware qualified accountant sought for 'hands-on' role in a growth division of a quoted London based leisure group. Ideal candidate will be a high energy individual in age range 25-30 years looking for an exciting challenge. Package c £25,000.

Send full CV to Box A2017, Financial Times, One Southwark Bridge, London SE1 9HL.

Finanz Direktor/ Controller

Raum Stuttgart

Unsere Kundin ist die unabhaengige Deutsche tochtergesellschaft eines marktführenden Britischen unternehmens taetig in der Herstellung und dem Vertrieb der Lebensmittel Branche. Das Unternehmen hat einen gewinnbringenden Unsatz von ca. DM40 Millionen.

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Die Position wird überdurchschnittlich verguetet einschliesslich gewinnbeteiligung, Altersversicherung und firmenwagen. Grosszügige Unzugshilfe wird gegeben.

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